

Groundhog Inc.
Minutes of 2025 General Shareholders' Meeting

Time : 9:00 AM (Monday) June 23, 2025

Place : 2F, Conference Room 206, Primasia Conference & Business Center, No. 99
Fuxing North Road, Songshan District, Taipei City, Taiwan.

Meeting Type : Physical Shareholders' Meeting

The total number of shares issued by the Company is 33,537,400 shares, of which 671,000 shares are non-voting shares pursuant to Article 179 of the Company Act. After deducting the non-voting shares pursuant to Article 179 of the Company Act, the total number of shares is 32,866,400 shares.

Total shares represented by shareholders present in person or by proxy : 20,501,313 shares

Percentage of shares held by shareholders present in person or by proxy : 62.37%

Directors present : Chiou, Ta- Gang; Liu, Chiann; Tseng, Tsung-Lin (Chairman of the Audit Committee); Ho- Chen, Tan; Lin, Yi-Bing

(Five directors were present, more than half of the seven directors)

Persons attend : Syu, Fu-Ciang, CFO; Mavis Tsai, Senior Manager of KPMG

Chairman : Chiou, Ta-Gang, the Chairman of Board of Directors

Recorder : Liu, Wei-Jen

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

2. Chairman's Address: (Bypass)

3. Reported Matters

(1) Report on the Business of 2024 (Attachment 1)

(2) Audit Committee's Review Report for 2024 (Attachment 2)

(3) Report on the Distribution of Employees' Compensation and Directors' Remuneration of 2024.

Explanatory Notes:

- A. Pursuant to the Company's Articles of Incorporation, if the Company reports a profit in its annual final accounts, not less than five percent (5%) of the profit shall be allocated as employees' remuneration, and not more than one percent (1%) shall be allocated as directors' remuneration. However, if there are accumulated losses from

previous years, such losses shall be offset prior to any allocation in accordance with the aforementioned percentages.

- B. 10% is set aside as the employees' compensation, which is in a total amount of NT\$16,766,124.
- C. 1% is set aside as the Directors' remuneration, which is in a total amount of NT\$1,676,612.
- D. Employee compensation shall be disbursed to employees of both the Company and eligible employees of subsidiary companies, subject to specific conditions. These matters are authorized to be handled by the Chairman of the Board with full authority.

(4) Report on the Progress in Sustainable Development Implementation (Attachment 3)

4. Acknowledged Matters

Proposal No. 1

Proposed by the Board of Directors

Subject : Adoption of the Business Report and Financial Statements of 2024.

Explanation :

- 1. The 2024 Business Report and Financial Statements (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows) have been approved by the 18th Meeting of the Board of Directors of the 2nd Term on March 13, 2025, and audited by the certified public accountants Huang, Yung-Hua and Yu, Sheng-Ho of KPMG with the proposed audit report.
- 2. The preceding mentioned Business Report and Financial Statements had been submitted to the Audit Committee for review, and the review report was issued accordingly.
- 3. Please refer to the 2024 Business Report (Attachment 1), Independent Auditors' Report and Financial Statements (Attachment 4 & 5).

Resolution : RESOLVED, the above proposal hereby was acknowledged as proposed.

Shares present at the time of voting: 20,501,313

Voting results (electronic votes included)	%
Votes in favor : 19,471,671 votes	94.97%
Votes against : 2,234 votes	0.01%
Invalid votes : 0 vote	0.00%
Votes abstained / Not voted : 1,027,408 votes	5.01%

Proposal No. 2

Proposed by the Board of Directors

Subject : Adoption of the Proposal for Profit Distribution of 2024.

Explanation :

1. The amount of NT\$119,462,419 of accumulated retained earnings is available for distribution. The Company set aside legal reserve in an amount of NT\$ 11,946,242. It is proposed to set aside shareholders' dividends in an amount of NT\$107,319,680 from the surplus earnings, and all of the dividends are proposed to be distributed in cash and will be distributed by NT\$ 3.2 per share.
2. The cash dividends would be rounded down to the nearest whole number, the fractional balance less than NT\$ 1 shall be summed up and recognized as other income of the Company.
3. In the event that the number of outstanding shares is affected due to alteration of share capital which causes the ratio of dividend distribution per share to be changed, is the General Shareholders' Meeting proposes to authorize the Chairman to make any adjustment and proceed on the relevant matters.
4. Please refer to the proposed 2024 Statement of Profit Distribution (Attachment 6)

Resolution : RESOLVED, the above proposal hereby was acknowledged as proposed.

Shares present at the time of voting: 20,501,313

Voting results (electronic votes included)	%
Votes in favor : 19,471,671 votes	94.97%
Votes against : 8,234 votes	0.04%
Invalid votes : 0 vote	0.00%
Votes abstained / Not voted : 1,021,408 votes	4.98%

5. Discussion Matters

Proposal

Proposed by the Board of Directors

Subject: Amendment to the "Articles of Incorporation"

Explanation:

1. To comply with Paragraph 6, Article 14 of the Securities and Exchange Act, a listed company shall specify in its Articles of Incorporation a certain ratio of its annual profits to be allocated as compensation to its basic-level employees, it is proposed to make amendments to the "Articles of Incorporation".

2. In consideration of industry-specific characteristics, the Company defines grassroots employees as individuals who do not hold managerial positions and whose monthly salary is less than NT\$74,000. This definition is subject to annual review to determine whether any adjustments are warranted.
3. Please refer to the Comparison Table for Content of Articles Before and After Revisions (Attachment 7)

Resolution : RESOLVED, the above proposal hereby was acknowledged as proposed.

Shares present at the time of voting: 20,501,313

Voting results (electronic votes included)	%
Votes in favor : 19,471,668 votes	94.97%
Votes against : 8,237 votes	0.04%
Invalid votes : 0 vote	0.00%
Votes abstained / Not voted : 1,021,408 votes	4.98%

6. Election Matters

Proposal

Proposed by the Board of Directors

Subject: Election of the Company's Directors for the 3rd Term

Explanation:

1. The 2nd term of the Board of Directors will expire on August 3, 2025. Pursuant to a resolution of the Board of Directors, a full re-election will be held in advance at this General Shareholders' Meeting. A total of seven directors (including four independent directors) shall be elected. The newly elected directors will assume office immediately after the conclusion of the shareholders' meeting and will serve a three-year term from June 23, 2025 to June 22, 2028.
2. The election of directors shall be conducted in accordance with the candidate nomination system. Shareholders shall elect directors (including independent directors) from the list of nominated candidates.
3. Please refer to attachment 8 for the list of candidates for election as directors.
For shareholders' reference, and submitted sincerely hereby for the election.

Voting Result : The list of the directors by elected and votes is as below

Title	Name	Elected votes
Director	Fanrui Investment Co.,Ltd. Representative Chiou, Ta-Gang	27,569,113
Director	Liu, Chiann	22,693,704
Director	Horng, Jyh-Feng	22,217,719
Independent Director	Ho-Chen, Tan	14,445,861
Independent Director	Lin, Yi-Bing	14,436,279
Independent Director	Tseng, Chin-Lung	14,423,903
Independent Director	Tseng, Tsung-Lin	14,408,941

7. Other Matters

Proposal

Proposed by the Board of Directors

Subject: To approve the release of non-competition restrictions for new Directors

Explanation:

1. In order to meet the needs of business strategy and practical development, also new director may act for themselves or others within the scope of the company's business, it is proposed to approve the release of non-competition restrictions for new director in accordance with Article 209 of the Company Act.
2. Job at other company taken concurrently by the directors

Name	Present position
Fanrui Investment Co.,Ltd. Representative Chiou, Ta-Gang	Chairman -Groundhog Technologies Inc. (US) -Groundhog Pte. Ltd. (Singapore) -Groundhog Technologies Inc. (Cayman Island) -Fanrui Investment Co.,Ltd. Supervisor -Call Saver Technology Inc. Director -Comprehensive Buddhist Electronic Text Archive Foundation

Name	Present position
Horng, Jyh-Feng	CEO -Black Marble Capital Management Co., LTD. Director - Black Marble Capital International Investment Co., LTD. -Jetbest Corporation -Xrex Inc. - Chip-GaN Power Semiconductor Corporation -Attopsemi Technology Co., Ltd.
Liu, Chiann	Chairman of Ching O Co., Ltd.

3. Job at other company taken concurrently by the independent directors

Name	Present position
Ho-Chen, Tan	Independent Director -PChome Online Inc. Institutional director's representative- Kindom Development Co., Ltd. Kedge Construction Co., Ltd.
Tseng, Chin-Lung	Senior Consultant -KGI Securities Co., Ltd. CEO -KGI Welfare & Charity Foundation Chairman -Weihong Investment Co., Ltd. -Xingwen Investment Co., Ltd. -Jingguan Investment Co., Ltd. -Yuming Investment Co., Ltd.
Tseng, Tsung-Lin	Independent Director -GCS Holdings, Inc. Director- XAC Automation CORP.
Lin, Yi-Bing	Tenured Chair Professor of Department of Computer Science, National Yang-Ming Chiao Tung University Independent Director/ Audit Committee member - Information Technology Total Services Co., Ltd.

Name	Present position
	Director -National Applied Research Labs. -18 th term of Ming-Der Senior High School -12 th term of Advantech Foundation Senior Distinguished Research Fellow-ITRI Project Consultant -Central Taiwan University System - Hsinchu County Smart City Project, Hsinchu County Government Review Committee Member -International Cooperation Strategy for International Collaborative Research Projects, National Science and Technology Council

Resolution : RESOLVED, the above proposal hereby was acknowledged as proposed.

Shares present at the time of voting: 20,501,313

Voting results (electronic votes included)	%
Votes in favor : 19,392,872 votes	94.59%
Votes against : 23,017 votes	0.11%
Invalid votes : 0 vote	0.00%
Votes abstained / Not voted : 1,085,424 votes	5.29%

8. Extemporaneous Motions:

Proposal No. 1

Subject : Report on the Actual Execution of Treasury Share Repurchase.

Explanation :

The actual execution status of the Company's treasury share repurchase is as follows:

Unit: NTD Dollar/ Share

Repurchase round	First repurchase round
Purpose of repurchase	Transfer of treasury shares to employees
Repurchase period	2025/04/11~2025/06/09
Number of shares repurchased	1,300,000 shares of common stock
The total amount of the current share repurchase	NTD181,485,163
Average repurchase price per share	NTD139.60
The ratio of actual shares repurchased to the approved number of shares for repurchase (%)	100.00%
Cumulative number of shares held in the company	1,300,000 shares of common stock
The ratio of the cumulative number of shares held in the Company to the total number of issued shares	3.88%

Proposal No. 2

Subject : Report on the Company's "Rules of the Transfer of Treasury Shares to Employees under the First Share Repurchase Program".

Explanation : Please refer to Attachment 9 for the Company's "Rules of the Transfer of Treasury Shares to Employees under the First Share Repurchase Program."

9. Adjournment: 9:30 AM (Monday) June 23, 2025

No questions or issues were raised by shareholders.

These minutes of the shareholders' meeting contain only a summary of the meeting proceedings. The detailed discussions, procedural matters, and shareholder statements shall be referred to in the audio and video recordings of the meeting.

<Attachment 1>

Groundhog Inc.

2024 Business Operation Report

Sincere thanks to our shareholders for your support and to all our colleagues for their hard work. Looking back at 2024, the mobile communications industry experienced a year that started with challenges but ended with encouraging progress. In the first half of the year, geopolitical tensions in the South China Sea led to a freeze in China-Philippines relations, resulting in delayed orders in Southeast Asia. At the same time, developments in North America were affected by customer's budget planning schedules, leading to similar delays. Despite these setbacks, our overall performance still saw noticeable growth compared to 2023, although the growth rate in H1 slightly underperformed expectations.

As we entered the second half of 2024, operations improved, driven by capacity expansion orders from clients in the Middle East and new customer acquisition in Africa. With mobile 5G data traffic expected to grow steadily through 2025, the rise of companies like Palantir and the validation of low-cost large language models (LLMs) by the software industry have further reinforced market recognition of Groundhog. These three major industry trends are expected to significantly benefit our future development.

1.1 2024 Business Performance and R&D Highlights :

- (1) Total consolidated revenue for the year 2024 amounted to NT\$393,787 thousands, with consolidated net profit after tax of NT\$119,153 thousands.
- (2) Financial income and expenditure analysis: please refer to the attached 2024 financial statements.
- (3) Research and development status: The research and development expenses incurred in the year 2024 amounted to NT\$125,293 thousands, accounting for 32% of the operating income.

1.2 2025 Business Plan

In 2025, we will not only continue to expand upon the multi-country long-term contracts we secured in Africa at the end of 2024, but also focus on high-growth markets such as India and North America. India, having overtaken China as the world's most populous country, is also one of the fastest-growing markets for 5G networks—making it a top priority for global telecom players. Groundhog has capitalized on this opportunity. CovMo™ is already in use by the second-largest telecom operator in India. We anticipate that in 2025, we may also secure a contract with the country's third-largest international telecom company. If successful, we expect to reach a market share of approximately 65% in India—meaning nearly 7 out of every 10 mobile phones in the country will be using CovMo™ Geolocation services.

With the R&D achievement, In 2024, we were honored to receive recognition from the Ministry of Economic Affairs and were granted funding under the A+ Enterprise Innovation R&D Program. Groundhog plays a leading role in this initiative, collaborating with the Industrial Technology Research Institute (ITRI) and partners to develop the world's first AI-powered system integrating communications and sensing technologies

for high-precision positioning. This marks a major milestone toward future 6G technologies combining communication and sensing.

We are conducting the following operation plan details:

i. Business Strategy

(1). Enhance AI Product Line & Integrate LLM Applications

We will continue optimizing our AI product offerings, expanding CovMo™ and Mobility Intelligence™ integration, and launching new features related to large language models (LLMs) and Deep Packet Inspection (DPI) to improve competitiveness and increase overall profitability.

(2). Customer Experience Enhancement

By incorporating chatbot modules and improving service quality for existing clients, we aim to elevate user experience. We will continue onboarding international flagship clients and providing advanced technical support to assist them in monetizing big data more efficiently, fostering loyalty and attracting their competitors as new customers.

(3). Diversified Value-Added Services

With real-time analytics and intelligent KPI indicators, we aim to address multifaceted client needs, enhance user value, and help generate new revenue streams—strengthening long-term partnerships.

ii. Operations Management

(1). Geopolitical Risk Management

Geopolitics has become an increasingly significant factor in the realm of international commerce in recent years. We will continue to identify potential business opportunities amid geopolitical competition, while simultaneously enhancing its geopolitical risk management practices. The company aims to deepen its management across various aspects, including customer credit, accounts receivable, operating capital, and contract risk, to reduce operational risks.

(2). Operational Efficiency Improvement

By flattening the organizational structure, simplifying operations and management processes, effectively controlling expenses, and enhancing productivity, the company is committed to improving profitability and operational efficiency.

(3). Financial Risk Control

We are establishing a stable yet flexible financial system. Through the implementation of institutional and operational mechanisms, management can effectively identify, assess, and control risks. The company will adjust its liquidity position appropriately in response to changes in global political and economic conditions and market competition, aiming to reduce operational risks.

(4). ESG Policy Promotion

We will continue to uphold the spirit of ESG (Environmental, Social, and Governance), ensure audit independence, promote a strong internal control culture, and leverage AI technology for big data analysis to expand its influence and become a model ESG enterprise in Taiwan's software industry.

iii. Human Resources

(1). Streamlined Organizational Management

A. At the end of each year, manpower planning is conducted precisely based on the revenue forecast and new annual plans.

B. Strengthen the ability of all management levels to control personnel-related expenses.

C. Through managing personnel costs, managers learn to enhance their sense of responsibility and awareness of expense control.

(2). Enhancing Talent Quality

A. Raise employee selection standards to align with public company benchmarks, emphasizing candidates whose backgrounds align with the company's future development.

B. Utilize internal training opportunities to foster not only employees' professional skills but also positive work attitudes.

C. Encourage employees to use company-sponsored training programs to improve their professional capabilities.

(3). Effective Performance Management

A. Performance management links employees' job responsibilities with the company's annual plans.

B. The year-end performance review allows employees to reflect on their contributions and set goals for the coming year.

C. Performance management fosters a positive cycle of meritocracy within the organization.

In the foreseeable future, as the global market gradually transitions into the widespread adoption phase of 5G networks, the sources of revenue momentum will be abundant. We will continue to maintain our position at the forefront of artificial intelligence technology, accelerating operational growth and expanding our corporate footprint. Our focus remains on deepening our presence in the mobile communication sector, striving for further advancements and achievements in this field. We extend our heartfelt gratitude to all shareholders for standing with Groundhog as we venture towards a bright future driven by artificial intelligence.

Chairman:

Chiou, Ta-Gang

President:

Chiou, Ta-Gang

Accounting Officer:

Syu, Fu-Ciang

<Attachment 2>

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 business report, financial statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Groundhog Inc.'s financial statements and has issued an audit report relating to the financial statements. The business report, financial statements, and profit allocation proposal have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To Groundhog Inc. 2025 General Shareholders' Meeting

Groundhog Inc.

Chairman of the Audit Committee: Tseng, Tsung-Lin

March 13, 2025

<Attachment 3>
Sustainable Development Implementation Report

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons				
	YES	NO	Abstract Explanation					
1. Whether the Company has established a management structure for promoting sustainable development and set up an exclusively (or concurrently) dedicated unit handled by senior management officer(s) authorized by the Board of Directors, and under the supervision of the Board of Director?	V		<p>The company's board of directors adopted the "Sustainable Development Code of Practice" on August 12, 2022, and submitted a report to the shareholders' regular meeting on December 3, 2022. In line with the promotion of sustainable development, the company formulated the "Corporate Sustainable Development Promotion Measures" on December 30, 2022, and established the Corporate Sustainability Promotion Team as a full-time unit. Its members include the general manager office and department-level supervisors, responsible for promoting sustainable development. Continuously develop the resources and planning management methods of each group, and the general manager ensures that the company implements relevant corporate sustainability responsibilities and reviews the implementation status and makes revised plans at any time. The Sustainable Development Promotion Team regularly reports to the Board of Directors on the implementation of sustainable development work every year.</p> <p>The board of directors listens to the management's executive report on the company's operations and sustainable development. The management reports the company's planned strategies to the board of directors. The board of directors conducts feasibility studies on the strategies and provides suggestions to the management as appropriate.</p>	None				
2. Does the Company make the risk assessment on the issues concerning environment, society and corporate governance which are related to the operation of Company according to the materiality principle, and establish relevant	V		<p>The boundary of this risk assessment is limited to the company. Based on the principle of materiality of sustainable development, relevant risk assessments of important issues are conducted. Based on the risk items identified in the assessment, relevant risk management countermeasures and measures are formulated as follows: :</p> <table><tr><th>Risk assessment</th><th>Risk management countermeasures and measures</th></tr><tr><td>Innovation and RD</td><td>The technologies exclusively developed by our company have applied for and obtained patent certificates from the Republic of China, the United States, Japan, the European Union and other countries and regions. A management system has been</td></tr></table>	Risk assessment	Risk management countermeasures and measures	Innovation and RD	The technologies exclusively developed by our company have applied for and obtained patent certificates from the Republic of China, the United States, Japan, the European Union and other countries and regions. A management system has been	None
Risk assessment	Risk management countermeasures and measures							
Innovation and RD	The technologies exclusively developed by our company have applied for and obtained patent certificates from the Republic of China, the United States, Japan, the European Union and other countries and regions. A management system has been							

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	YES	NO	Abstract Explanation		
risk management policies or strategy?				established for the protection and utilization of patent and trademark rights.	
			Economic Performance	We continuously develop new customers in different countries and regions, maintain strong relationships with existing clients, and strive for contract renewals, version upgrades, or expansion projects to ensure steady revenue growth. A budgeting system is implemented, and expenditures and costs are reviewed periodically to ensure their reasonableness, maintaining a stable level of profitability.	
			Economic Performance	We continuously develop new customers in different countries and regions, maintain strong relationships with existing clients, and strive for contract renewals, version upgrades, or expansion projects to ensure steady revenue growth. A budgeting system is implemented, and expenditures and costs are reviewed periodically to ensure their reasonableness, maintaining a stable level of profitability.	
			Corporate Governance	By establishing a corporate governance structure and implementing internal control mechanisms, the company ensures that all personnel and operational processes comply with relevant laws and regulations. Directors are covered by directors’ liability insurance, and they are encouraged to continue their education in corporate governance-related courses to enhance the effectiveness of the board.	
			Risk Management	The company identifies potential risks that may arise in business	

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
				operations and implements corresponding control mechanisms for identified risk items, such as risk monitoring systems and crisis management procedures to address negative impacts.
			IT security and Privacy protection	An information security management organization has been established, and information security policies have been formulated. Regular disaster recovery drills for information systems are conducted, along with cybersecurity training programs to protect customer privacy. Strict controls are enforced over the use of personal data, account management, and device security to enhance the protection of sensitive information.
			Compliance	Each department continuously monitors and analyzes newly enacted or revised regulations within its area of responsibility and formulates corresponding response strategies. Legal awareness is promoted among all employees through legal education and training to ensure that the company’s operations and actions comply with relevant laws and regulations.
			Product safety and Security	The company has obtained ISO 9001:2015 Quality Management System certification and ensures the quality of its products and services in accordance with government regulations and industry standards. The marketing and labeling of products and services comply with relevant laws and international guidelines. The company has established a “Code of Ethical Conduct” and “Procedures and Guidelines for

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
				Ethical Business Practices,” which clearly define measures to prevent products or services from harming stakeholders. Product designs incorporate features that protect customer privacy, and the company complies with the Personal Data Protection Act and the EU General Data Protection Regulation (GDPR). A “Personal Data Protection Management Policy” has been established to ensure proper regulation and implementation.
			Talent	The company offers a fair, reasonable, and competitive compensation system, providing channels for annual salary adjustments for high-performing employees. Performance bonuses are granted based on the company’s annual operating results and individual
			Attraction	performance evaluations. In addition to a comprehensive and diverse benefits program, the company is committed to being a health-conscious and employee-friendly workplace. Various supportive measures are available, such as parental leave and unpaid childcare leave for employees with newborns, lactation rooms for nursing mothers, and prayer rooms for Muslim employees, demonstrating the company’s dedication to employee care and well-being.
			Talent Development	The company has established training program plans and regularly conducts professional knowledge-sharing sessions internally. Employees who attend external training courses offered by training institutions are also encouraged to share what they have learned with colleagues.

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
			<div>These initiatives aim to enhance employees' career development and workplace competitiveness, while also contributing to the achievement of the company's business objectives.</div> <div>Customer Service</div> <div>Customer Complaint Handling Mechanism: All of the company's clients are corporate customers, each assigned a dedicated account manager responsible for addressing complaints or issues related to product usage. Additionally, the company's official website provides a platform for clients to leave their contact information along with any concerns or feedback. These messages are forwarded to the appropriate personnel for review and resolution. Through these measures, the company ensures the quality of its customer service.</div>	
3. Environment Topic (1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		The company's main business is the development and sales of software platforms. It does not produce pollution or business waste, so it is not suitable for environmental management system verification.	None
(2) Does the Company endeavor to improve energy more efficiently and use renewable materials which have low impact on the environment?	V		The company's main business is the development and sales of software platforms and is not engaged in production and manufacturing. In terms of improving energy efficiency, our office promotes turning off unnecessary lights during lunch breaks, setting the air conditioner at a temperature above 26 degrees Celsius in summer, and unplugging unnecessary electrical appliances during consecutive long holidays to reduce standby power consumption. In terms of planning, each conference room uses a separate air-conditioning controller to reduce power waste; the company's main business is the development and sales of software platforms, and the	None

Promotion Item	Implementation Status			Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
			products or services provided to customers do not use packaging materials (i.e., so-called materials). However, the company's computer equipment is centrally reused, and through waste paper reuse and supplier packaging boxes, the company extends the product life cycle, improves resource usage efficiency, and strives to reduce environmental impact.	
(3) Does the Company evaluate the potential risk and opportunity caused by the climate change currently and in the future, and take measures corresponding to the climate relevant issues?	V		<p>The "Corporate Sustainability Promotion Team" convenes relevant departments to identify risk opportunities caused by climate change, analyze short, medium and long-term risk projects, and assess the financial impact of risk opportunities. The board of directors is the management organization that actually oversee the company's climate change risks and opportunities.</p> <p>Scenario analysis, response strategy formulation, goal achievement and other matters related to climate change are planned and integrated by the management and reported to the board of directors.</p> <p>Risks and opportunities related to climate change identified by the Company: Short-term risks: Rising domestic electricity prices will lead to an increase in related operating costs.</p> <p>Medium-term risks: Possible losses from operational interruptions due to extreme weather events such as natural disasters.</p> <p>Long-term risk: Customers changing their behavior because of climate change.</p> <p>Financial impact: Risks - Increase operating costs and impact on financial performance. Opportunity - Expand new business to potential customers and increase revenue.</p> <p>Strategic impact: The company's response measure is to continue to educate employees about saving electricity. On the one hand, it saves energy and reduces greenhouse gas emissions. On the other hand, it reduces the impact of future increases in electricity prices on the company's operating expenses.</p> <p>Business impact: The company's response measures are to target customers in telecom operators and</p>	None

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
			<p>related industries, emphasizing that the company's products can bring energy conservation, carbon reduction, and cost savings, to expand business reach and further strive for business opportunities.</p> <p>In the face of extreme climate events, the company identifies possible risks and plans corresponding transformation actions. The financial impact is analyzed as follows:</p> <p>The financial impact of extreme weather events Extreme weather events such as severe typhoons and large floods may be accompanied by power outages, traffic interruptions and other accidents, interrupting the company's operations, causing personnel to be unable to work in the office normally, and shutting down the computer rooms, increasing the chance of loss of the company's revenue. Large, no significant impact on finances. In addition, the rise in average temperature and sea level will have a low impact on the location of the company's office.</p> <p>Financial Impact of Transformation Initiatives The company's products themselves are developed to help customers save energy and reduce carbon. The chance of the products being listed as the subject of carbon tax at home and abroad is not high. The transformation action is more inclined to the use of carbon offsets or renewable energy certificates to reduce the scope of Category 2. indirect emissions from energy use. After comprehensive analysis, the financial impact of the transformation actions is not significant.</p>	

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																																							
	YES	NO	Abstract Explanation																																								
(4) Does the Company make statistics of total greenhouse gas emissions, water consumption and waste weight of the Company during past two years, and establish strategies for energy conservation, carbon and greenhouse gas reduction, water consumption saving or waste management?	V		<p>The company and its subsidiaries included in the consolidated financial statements fall within the scope of inventory for greenhouse gas emissions, as well as water and electricity consumption. The water and electricity usage for the years 2023 and 2024, along with the corresponding calculated greenhouse gas emissions, have been recorded. The relevant statistics are presented in the following table:</p> <p>Greenhouse gas emissions :</p> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Catagories</td><td>Emission(tCO2e)</td><td>Emission(tCO2e)</td></tr><tr><td>Scope 1</td><td>0</td><td>0</td></tr><tr><td>Scope 2</td><td>132.5</td><td>135.48</td></tr><tr><td>Scope 3</td><td>6,857.65</td><td>7,048.49</td></tr><tr><td>Total</td><td>6,990.15</td><td>7,183.97</td></tr><tr><td>Consolidated Revenue (NT\$ million)</td><td>371.19</td><td>393.78</td></tr><tr><td>Intensity (tCO2e/Revenue (NT\$ million))</td><td>18.83</td><td>18.24</td></tr></table> <p>Water and electricity consumption :</p> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Total water consumption</td><td>1,191</td><td>1,207</td></tr><tr><td>Number of employees at the end of the year</td><td>142</td><td>144</td></tr><tr><td>Water consumption per capita:</td><td>8.3873</td><td>8.3819</td></tr><tr><td>Total water consumption/Number of employees at the end of the year</td><td></td><td></td></tr></table>	Year	2023	2024	Catagories	Emission(tCO2e)	Emission(tCO2e)	Scope 1	0	0	Scope 2	132.5	135.48	Scope 3	6,857.65	7,048.49	Total	6,990.15	7,183.97	Consolidated Revenue (NT\$ million)	371.19	393.78	Intensity (tCO2e/Revenue (NT\$ million))	18.83	18.24	Year	2023	2024	Total water consumption	1,191	1,207	Number of employees at the end of the year	142	144	Water consumption per capita:	8.3873	8.3819	Total water consumption/Number of employees at the end of the year			None
Year	2023	2024																																									
Catagories	Emission(tCO2e)	Emission(tCO2e)																																									
Scope 1	0	0																																									
Scope 2	132.5	135.48																																									
Scope 3	6,857.65	7,048.49																																									
Total	6,990.15	7,183.97																																									
Consolidated Revenue (NT\$ million)	371.19	393.78																																									
Intensity (tCO2e/Revenue (NT\$ million))	18.83	18.24																																									
Year	2023	2024																																									
Total water consumption	1,191	1,207																																									
Number of employees at the end of the year	142	144																																									
Water consumption per capita:	8.3873	8.3819																																									
Total water consumption/Number of employees at the end of the year																																											

Promotion Item	Implementation Status					Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons												
	YES	NO	Abstract Explanation															
			<table><tr><td>Total electricity consumption</td><td>268,217</td><td>274,246</td></tr><tr><td>Consolidated Revenue (NT\$ million)</td><td>371.19</td><td>393.78</td></tr><tr><td>Electricity consumption per million NTD in revenue:</td><td>722.59</td><td>696.45</td></tr><tr><td>Total electricity consumption/Revenue (NT\$ million)</td><td></td><td></td></tr></table> <p>The company has formulated the "Greenhouse Gas and Waste Management Measures" to clearly state the management policies and measures for water and electricity conservation, greenhouse gas emission reduction, and waste reduction, and lists annual water, electricity and greenhouse gas management goals.</p>			Total electricity consumption	268,217	274,246	Consolidated Revenue (NT\$ million)	371.19	393.78	Electricity consumption per million NTD in revenue:	722.59	696.45	Total electricity consumption/Revenue (NT\$ million)			
Total electricity consumption	268,217	274,246																
Consolidated Revenue (NT\$ million)	371.19	393.78																
Electricity consumption per million NTD in revenue:	722.59	696.45																
Total electricity consumption/Revenue (NT\$ million)																		
4.Society Topic (1)Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? ?	V		<p>Human rights policy</p> <p>In order to fulfill its corporate social responsibilities, the company protects the basic human rights of all colleagues, customers and stakeholders, abides by the laws and regulations where the company is located, and follows internationally recognized human rights norms and principles, including the "United Nations Universal Declaration of Human Rights" and the "United Nations Global Covenant" ", the “United Nations Guiding Principles on Business and Human Rights” and the International Labor Organization’s “Declaration on Fundamental Principles and Rights at Work” to ensure a working environment that protects human rights and eliminate any infringements and violations of human rights, so that both internal and external members of the company can Be treated reasonably, equally and with dignity.</p> <p>Human Rights Management Policy</p> <p>The company implements human rights policies through the following implementation guidelines based on its operating projects and characteristics:</p> <p>1. Diversity and inclusiveness ensure equal job opportunities. There will be no unfair and unfair treatment based on an individual’s gender, race, socioeconomic status, nationality, age, marriage, family status, language, religion, party affiliation, appearance, height, physical or mental</p>			None												

Promotion Item	Implementation Status			Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
			<p>disability, etc. Differential treatment, we are committed to creating a working environment with equal opportunities, dignity, safety, equality, and freedom from discrimination and harassment.</p> <ol style="list-style-type: none"> 2. Construct a safe and hygienic working environment, promote the physical and mental health of employees, and achieve work-life balance. 3. Reasonably arrange employees' working hours, rest and vacation time. 4. Respect the wishes of employees and prohibit forced labor. 5. Employment standards comply with local regulations and minimum age limits, and child labor is prohibited. 6. Provide employees with reasonable salaries and related welfare conditions in accordance with laws and regulations. 7. Provide multiple and smooth communication channels, hold regular labor-management meetings, strive to promote harmony between labor and management, create good labor-management relations, and effectively mediate differences in opinions. 	
(2) Does the Company establish and implement rational employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the corporate business performance or achievements in the employee remuneration policy?	V		<p>The company adheres to the concept of "only satisfied employees can have satisfied customers" and hopes to fully take care of the physical and mental health of employees so that employees can be focused and happy at work. In addition to formulating personnel management regulations, employee performance appraisals, work rules, etc. In addition, the company has an employee welfare committee composed of colleagues, which is responsible for the planning and implementation of various employee welfare matters. Currently, the company's various welfare matters are as follows:</p> <ol style="list-style-type: none"> 1. Guaranteed annual salary for 14 months 2. Performance bonus 3. Annual salary increases based on performance 4. Employee dividends 5. Labor insurance, health insurance, labor pension withdrawal and group insurance 6. Annual employee travel allowance 7. Department dinner subsidy 8. Regular health check-ups for colleagues 9. Three-day gift certificates and birthday gifts 	None

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
			<p>10. Various community activities and community activity subsidies</p> <p>11. Wedding and funeral subsidies</p> <p>12. Educational training provision and further study subsidies</p> <p>The company's articles of association stipulate that if the company makes a profit during the year, it should allocate no less than 5% as employee remuneration. The recipients of the payment include employees of subsidiary companies who meet certain conditions, and business performance will be reflected in employee remuneration.</p> <p>In order to ensure a stable life for employees after retirement, the company formulates labor retirement measures and provides employees with retirement benefits in accordance with the Labor Standards Act. Retirement system and its implementation status:</p> <p>A. Old system: For employees subject to the provisions of the "Labor Standards Act", the company will transfer 2% of the salary to the Taiwan Bank account of the Labor Retirement Reserve Supervisory Committee. The payment of pension is based on the length of service and approval. The average salary of the six months before the retirement date is calculated to protect labor rights.</p> <p>B. New system: For employees who are subject to the provisions of the "Labor Pension Ordinance", the company will allocate 6% of the total employee salary to the employee's personal pension account on a monthly basis; for those who voluntarily contribute to their pension, an additional voluntary contribution rate will be applied. It is deducted from the employee's monthly salary to the personal pension account of the Labor Insurance Bureau.</p>	

Promotion Item	Implementation Status			Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>In accordance with the Occupational Safety and Health Law and the implementation rules of this law, the company has formulated "Measures for the Prevention and Control of Sexual Harassment in the Workplace", "Plan for the Prevention of Human-Based Hazards", "Plan for the Prevention of Unlawful Infringements During the Performance of Duties", and "Plan for the Prevention of Diseases Induced by Abnormal Work Loads" to promote employee health and safety. Provide group insurance, establish dedicated lactation rooms for female employees, provide regular health examinations for current employees and their families, and sign on-site health promotion service contracts with specially appointed medical institutions. Nurses will come to the company to provide health consulting services to employees twice a month. Doctors came to the company twice to provide employees with health examination data analysis suggestions and personal health consultations, and implemented flexible working hours and a work-from-home system. Providing a safe and healthy working environment for employees is the core value that the company adheres to. The company implements regular fire safety inspections every year in accordance with the provisions of the Fire Law, and conducts fire self-defense training and drills for employees twice a year; it cooperates with the building management center in accordance with the provisions of the Construction Management Law, Public safety inspections of buildings are conducted every two years to allow employees to train their ability to deal with disasters and prepare sufficient relevant knowledge. The head of the General Affairs Department also serves as the head of occupational safety and health business and is responsible for formulating, planning, supervising, and educating and training matters on occupational safety and health in the workplace. Introducing on-site health promotion services for medical staff, nurses and doctors come to the office twice a month to provide health education and consultation services to colleagues. The company's workplace is an office, and there are no places or machines that may cause injuries to employees. There were no occupational accidents in 2012.</p> <p>Every month, the electronic platform system automatically reminds colleagues on their service</p>	None

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons								
	YES	NO	Abstract Explanation									
			expiration anniversary of their unused vacation hours to encourage colleagues to take vacations. In accordance with the certified ISO45001:2018 standards (the scope of the certification is our company) and the Occupational Safety and Health Law, the company formulates the "Safety and Health Work Code" to construct the planning, implementation, evaluation and improvement of the occupational health and safety management system. process.									
(4)Does the Company provide its employees with career development and training sessions?	V		<p>The company arranges functional training for supervisors and employees at all levels, including newcomer training, professional training, supervisor training, etc., to help colleagues continue to learn and grow in multiple ways. According to the needs of each supervisor or employee, relevant personnel are arranged to external professional organizations Conduct training on key knowledge or key skills. Supervisors regularly conduct performance appraisals and interviews with employees every year, and discuss and formulate personal annual functional and work development plans with employees. Through regular review and feedback, we help employees develop an effective and feasible career competency training blueprint.</p> <p>In 2024, the company’s education and training statistics are as follows:</p> <table><tr><th>Item</th><th>Statistics</th></tr><tr><td>Total number of classes throughout the year</td><td>76</td></tr><tr><td>Total number of students taking classes throughout the year frequency</td><td>291</td></tr><tr><td>Total number of class hours throughout the year (hours)</td><td>415</td></tr></table>	Item	Statistics	Total number of classes throughout the year	76	Total number of students taking classes throughout the year frequency	291	Total number of class hours throughout the year (hours)	415	None
Item	Statistics											
Total number of classes throughout the year	76											
Total number of students taking classes throughout the year frequency	291											
Total number of class hours throughout the year (hours)	415											

Promotion Item	Implementation Status			Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
(5)Has the Company complied with relevant laws and regulations and international standards for the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulated relevant consumer or customer protection policies and complaint procedures?	V		<p>Customer complaint handling mechanism: Our company's customers are all corporate households, and each customer has a dedicated business to deal with customer complaints or product use problems. At the same time, the company's official website allows customers to leave contact information, as well as matters or opinions to be reported, and the company will transfer them to relevant personnel for understanding and processing.</p> <p>The company's main business is the development and sales of software platforms and does not provide the supply of physical products. The issues of product labeling do not apply to the company;</p> <p>The company has currently obtained the ISO9001:2015 quality management system certification and complies with relevant government regulations and industry standards to ensure the quality of the company's products and services. The marketing and labeling of products and services comply with relevant laws and international standards, and the "Integrity Business Code" and "Integrity Business Operation Procedures and Conduct Guidelines" are formulated to clearly prevent products or services from harming stakeholders. In product design Provide relevant designs to maintain customer privacy, and comply with the Personal Data Protection Law and the European Union's General Data Protection Regulation ("GDPR"), and formulate "Personal Data Protection Management Measures" to standardize this.</p>	None
(6)Does the Company establish supplier management policy and request suppliers to comply with related standards on the topics of environmental protection, occupational safety and health or labor right, and the	V		<p>The company has formulated the "Supplier Sustainable Performance Management Policy", which stipulates that suppliers must promote environmental protection, labor rights, safety, health, and sustainable development, and requires new suppliers to sign a supplier ESG commitment letter and supplier ethical behavior. Standards; for existing suppliers, a "Supplier ESG Self-Assessment Questionnaire" is issued every year to conduct supplier sustainability scoring operations. If the evaluation results of existing suppliers are not good, they will be counseled and asked to improve.</p> <p>Regardless of whether the suppliers are old or new, our company will require them to comply with the requirements of sustainable management in terms of occupational safety and health, labor rights, honest management, environmental protection, social</p>	None

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
implementation status?			responsibility and feedback, as well as comply with relevant laws and regulations.	
5. Does the Company refer to international reporting rules or guidelines to publish ESG Report to disclose non-financial information of the Company? Has the said Report acquired 3rd certification party verification or statement of assurance?	V	V	Although the capital of the Company does not reach the standard of preparing for ESG report, we voluntarily adopt the Sustainability Reporting Guidelines set by the Global Reporting Initiative (GRI) in preparing the Chinese and English versions of the Company’s ESG report, and disclose this on the Company's website as well as the Market Observation Post System.	None
6. If the Company has established the sustainable development practice principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation□ : The company adopted the " the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies " and formulated our own "Sustainable Development Practices Guidelines" in August,2022, as approved by the board of directors. The actual implementation aligns closely with the contents outlined in the guidelines without significant discrepancies.				

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
7.If the Company has established the sustainable development practice principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation □：				
<div>(1). Groundhog Inc. firmly believes that companies should not only take revenue as their best interests, but also contribute to the sustainability of the environment, society, and economy. Therefore, during the COVID-19 epidemic, we used leading technologies with the highest positioning accuracy in the industry to utilize the core AI algorithm and big data analysis technology assist the governments and private parties in Taiwan, Indonesia, India, Saudi Arabia, and the United Arab Emirates in their epidemic prevention efforts, hoping to reduce the spread of the virus through our precise positioning technology. In addition, the company also uses geo-positioning technology to assist in infrastructure planning for smart cities in Saudi Arabia, the United Arab Emirates World Expo, and crowd planning for the World Cup in Qatar to improve the quality of local life and maintain the safety of citizens.</div> <div>(2). It is the positioning and mission of Groundhog Inc. to build a sustainable society with its industry technology and expand its influence as a mobile data leader. In addition to giving back to society with its industry technology, the company also continues to pay attention to education and cultural promotion, and helps disadvantaged groups integrate into society and promote social harmony.</div> <div>(3). I (3). In view of equal education, cultural promotion, and disadvantaged groups, Groundhog Inc. devotes part of its resources to charity every year through continuous donation activities and strives to improve social problems, such as donating to the "Ministry of Education School Education Savings Account" to provide low- and middle-income families with Financial subsidies for primary and secondary school students, the "Border Action Association" supports the education of border children, and the "New Taipei City Gong Hao Charity Association" provides meals, medi-cal care, housework services and other assistance to disadvantaged families and the elderly living alone. In addition to continuing to pay atten-tion to issues of equal education and disadvantaged groups. The company also participated in the client's ESG project "Working with Sustaina-bility Vanguard" for years. In 2024, the company helped repair archery training facilities in a remote school to support students in realizing their potential. Additionally, the company has donated to the "Breast Cancer Academic Research Foundation" to improve women's health and quality of life, the "Comprehensive Buddhist Electronic Text Archive Foundation" to promote the digitization of sacred texts and cultural continuity, the "NTU Alumni Association Scholarship" to provide scholarships for outstanding but financially disadvantaged students.</div>				

Promotion Item	Implementation Status			Deviations from “the Sustainable Development Best- Practice Principles for TWSE/TPEX Listed Companies and Reasons
	YES	NO	Abstract Explanation	
The following are social donation activities in the past two years :				
Year	Deeds			
2023	<ul style="list-style-type: none">• Ministry of Education School Education Savings Account• Global Action Foundation• New Taipei City Gung Ho Cherity Association – Lu Zhou Branch• ESG project "Working with Sustainability Vanguard"• Breast Cancer Academic Research Foundation• Comprehensive Buddhist Electronic Text Archive Foundation			
2024	<ul style="list-style-type: none">• Ministry of Education School Education Savings Account• Global Action Foundation• New Taipei City Gung Ho Cherity Association – Lu Zhou Branch• ESG project "Working with Sustainability Vanguard"• Breast Cancer Academic Research Foundation• Comprehensive Buddhist Electronic Text Archive Foundation• NTU Alumni Association Scholarship			

Climate-related Information for Listed Companies.

Items	Execution situation				
1. Clarify the board and management's oversight and governance of climate-related risks and opportunities.	The board of directors plays a supervisory and guidance role in sustainable development management strategies. After the management department completes the identification and response of major ESG issues every year, it reports the implementation results and review of the previous year to the board of directors in the first quarter of each year. Scenario analysis, response strategy formulation, goal achievement and other matters related to climate change are planned and integrated by the management and reported to the board of directors.				
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	The Company is actively researching countermeasures in the hope of reducing the negative operational and financial impacts of climate change. We define the short term as 1 to 3 years, the medium term as 3 to 5 years, and the long term as more than 5 years. We evaluate relevant climate risks and the operational and financial impacts on the company to plan various measures to respond to climate-related risks and opportunities.				
		Risk Categories and Opportunities	Short term (1 to 3 years)	Mid term (3 to 5 years)	Long term (More than 5 years)
	Risks	<p>Transition risk</p> <p>Risks arising from the transition to a low-carbon economy. Including policy, law, technology, market, reputation risk</p> <p>Physical risk</p> <p>Immediate physical risks: short-term severe events caused by weather</p> <p>Long-term physical risks: caused by long-term changes in</p>	<p>Frequent occurrence of extreme weather patterns, increasing number of short-term heavy rainfalls, and increasing number of large-</p>	<p>Shifting customer needs and preferences</p> <p>Insufficient response to climate change leads to loss of brand reputation</p>	<p>Average temperature rise</p>

Items	Execution situation				
			climate patterns	scale floods	
	Opportunities	Opportunities	Efforts to adapt to climate change can create climate change-related opportunities for the Company	Improve resource utilization efficiency	R&D and innovation of new low-carbon products and services
The Company assesses the above risks and proposes climate-related risks and opportunities that may have significant financial impact, as well as the response strategies as follows:					
Transition risks/Climate chances					
R Risks/O: Opportunities		Financial Impact-/+		Countermeasures	
R: Shifting customer needs and preferences O: R&D and innovation of new low-carbon products and services		- Market share drops (R) + Increase sales proportion of low-carbon products to increase revenue (O)		Continue to invest in the research and development of new-generation low-carbon products and emphasize upgrading energy-saving and carbon-reducing capabilities compared with older-generation products.	
R: Insufficient response to climate change leads to loss of brand reputation		- Stakeholders are dissatisfied with the company's response to climate change, causing the company's reputation to suffer and		Actively pay attention to and respond to climate-related events or climate-related topics that are rapidly increasing in online volume, strengthen the company's public welfare image, and gain customer recognition	

Items	Execution situation			
			sales to decline.	
		O: Improve company reputation	+ Improve fundraising success rate and reduce capital costs	<p>Enhance corporate green and sustainable business image through transparent disclosure</p> <p>Establish a culture where the company takes climate-related events and issues seriously and takes action</p> <p>Strive to improve the performance of corporate governance assessment and establish a good image</p>
3. Describe the financial impact of extreme climate events and transition actions.	<p>The financial impact of extreme weather events</p> <p>Extreme weather events such as severe typhoons and large floods may be accompanied by power outages, traffic interruptions and other accidents, interrupting the company's operations, causing personnel to be unable to work in the office normally, and shutting down the computer rooms, increasing the chance of loss of the company's revenue. Large, no significant impact on finances. In addition, the rise in average temperature and sea level will have a low impact on the location of the company's office.</p> <p>Financial Impact of Transformation Initiatives</p> <p>The company's products are developed to help customers save energy and reduce carbon emissions. There is a low chance that the products will be listed as objects of carbon tax at home and abroad. The transformation action is more inclined to the use of carbon offsets or renewable energy certificates to reduce the scope of Category 2. indirect emissions from energy use. After comprehensive analysis, the financial impact of the transformation actions is not significant.</p>			
4. Describe how climate risk identification, assessment and management processes are integrated into the	<p>The company's "Corporate Sustainability Promotion Team" convenes relevant departments to identify climate risk opportunities, analyze short, medium and long-term risk projects, assess the financial impact of risk opportunities, and discuss response strategies. Planned and consolidated by management and reported to the Board of Directors.</p>			

Items	Execution situation
overall risk management system.	
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	This topic is under planning.
6.If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	This topic is not applicable to the company
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	This topic is not applicable to the company

Items	Execution situation				
<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).</p>	<p>The company's main business is the development and sales of software platforms. It has no production emissions and no direct emission sources in scope 1. As for scope 2, the company generates indirect emissions from electricity consumption, and the building management center allocates the electricity consumption to the company. In addition, there are no other indirect emissions from energy use.</p> <p>The inventory border for 15 categories of Scope 3 are as follows:</p>				
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note
	Category 1	Purchased goods and services	Carbon emissions from the purchase of goods and services provided by suppliers, as well as the purchase of tap water.	This category is included in the calculation	
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note

Items	Execution situation					
	Category 2	Capital goods	Carbon emissions from the purchase of fixed assets and equipment included in the property inventory.	This category is included in the calculation		
	Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Indirect carbon emissions from purchased electricity.	This category is included in the calculation		1. The calculation of Scope 2 carbon emissions from purchased electricity involves calculating the greenhouse gas emissions from fuel combustion during electricity production, using the electricity carbon emission factor for the calculation.

Items	Execution situation					
						2. The calculation of Scope 3 carbon emissions from purchased electricity involves calculating the total lifecycle greenhouse gas emissions from electricity, subtracting the greenhouse gas emissions from fuel combustion during electricity production. This is done using the indirect carbon footprint factor for electricity.

Items		Execution situation				
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note	
	Category 4	Upstream transportation and distribution	Carbon emissions from the transportation of purchased goods to the company or from personnel commuting to the company to provide goods or services.	This category is included in the calculation		

	Category 5	Waste generated in operations	None	General waste generated from the company's operations is collected and disposed of by a certified waste management contractor engaged by the building management center. However, the contractor is unable to provide Scope 1 and Scope 2 greenhouse gas emission data related to the waste treatment process. In addition, the general waste is not sorted or measured by weight or volume, making it impossible to inventory or calculate emissions for this category.	
--	------------	-------------------------------	------	--	--

Items		Execution situation				
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note	
	Category 6	Business travel	Carbon emissions from business travel	This category is included in the calculation		
	Category 7	Employee commuting	Carbon emissions from employee commuting to office	This category is included in the calculation		

Items	Execution situation				
	Category 8	Upstream leased assets	None	<p>The company's leased office space in the building accounts for water-related carbon emissions under Scope 3, Category 1, and electricity-related carbon emissions under Scope 2 and Scope 3, Category 3. However, carbon emissions from building staff commuting to the site and from goods or services provided by the building's suppliers cannot be obtained, as the landlord is unable to provide the necessary data. Therefore, this category cannot be inventoried or calculated.</p>	

Items	Execution situation				
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note

Items	Execution situation				
	Category 9	Downstream transportation and distribution	None	The company's products are delivered to customers via electronic transmission, requiring no transportation equipment or purchased delivery services. Therefore, there are no greenhouse gas emissions associated with this activity, and this category is not applicable and not included in the calculation. Employee business travel is already accounted for under Category 6.	

Items	Execution situation					
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note	
	Category 10	Processing of sold products	None	The company's products do not require further processing or treatment by other companies. Therefore, this category is not applicable and is not included in the calculation.		
	Category 11	Use of sold products	Carbon emissions from the electricity consumption of servers specifically installed by customers to run the company's software.	This category is included in the calculation		

Items	Execution situation				
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note
	Category 12	End-of-life treatment of sold products	None	The company’s products are software and platforms, which do not require end-of-life treatment once they are no longer in use. Therefore, this category is not applicable and is not included in the calculation.	

Items	Execution situation					
	Category 13	Downstream leased assets	None	The company does not lease any assets to third parties. Therefore, this category is not applicable and is not included in the calculation.		
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note	

Items	Execution situation					
	Category 14	Franchises	None	The company does not operate any franchise arrangements with third parties. Therefore, this category is not applicable and is not included in the calculation.		

Items	Execution situation				
	Scope 3 Categories	Name	Activities Included in the Calculation	Reason for Not Including in the Inventory / Not Calculated:	Note
	Category 15	Investments	None	<p>The company does not hold any equity or debt investments in other companies. Therefore, this category is not applicable and is not included in the calculation. As for the Scope 3 carbon emissions of subsidiaries included in the consolidated financial statements, relevant activities have already been accounted for under Category 1 and Category 6.</p>	
<p>Please refer to 2.3.5 “The reasons for differences between practices and Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” for scope 3 inventory result. Annual greenhouse gas emission management target; annual greenhouse gas emission intensity is reduced by 1% compared with the previous year.</p> <p>The emission intensity in 2024 (metric tons CO₂e/million NT dollars) decreased by 3.12% compared with the previous year.</p>					

Items	Execution situation
	Issues related to the use of carbon offsets or renewable energy certificates are under study.
9.Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.	<p>The greenhouse gas inventory covers the head office and subsidiaries included in the consolidated financial statements. As the relevant data has not yet been assured by a third-party organization, only the greenhouse gas inventory information is disclosed, while assurance information is not disclosed. The reduction target is to reduce greenhouse gas emission intensity by 1% each year compared with the previous year. In 2024, the emission intensity decreased by 3.13% compared to 2023, achieving the annual target.</p> <p>We conduct propaganda to employees to improve their awareness of energy conservation. We recommend that colleagues use public transportation or take taxis together when traveling on business domestically. When choosing to stay in a hotel on a business trip abroad, try not to rent a car and look for walking or shared transportation vehicles. energy-saving and carbon-reducing transportation mode of public transportation to reach the accommodation point where the customer is located. Renewable energy, the purchase of carbon rights, related trading methods and offset mechanisms are also available tools in our research to reduce greenhouse gas emissions.</p>

<Attachment 4>

Independent Auditors' Report and 2024 Parent Company Only Financial Statements



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號88樓(台北101大樓)
88F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 8888
傳真 Fax + 886 2 8101 8867
網址 Web kpmg.com/tw

3

Independent Auditors' Report

To the Board of Directors of Groundhog Inc.:

Opinion

We have audited the financial statements of Groundhog Inc. ("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 ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, 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 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements 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(1) "Revenue" and Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" to the financial statements.

Description of key audit matter:

The Company engages in optimizing its intelligence platform system and provides big data analytics for its clients, which particularly involved the estimates made for percentage of completion ratio recognized as revenue. Therefore, considered revenue recognition as our key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included understanding the revenue recognition's accounting policy and assessing whether they are consistent with the accounting standards; random sampling of each revenue transaction and compare it with the purchase orders, condition of sales contract, input of the project time report, acceptance documentation, and collection records. In addition, we also obtained the ongoing project list to examine the calculation of completion percentage used as a basis for the recognition of contract assets.

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 the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 Huang, Yung-Hua and Yu, Sheng-Ho.



KPMG

Taipei, Taiwan (Republic of China)
March 13, 2025

GROUNDHOG INC.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023			December 31, 2024		December 31, 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:									
1100 Cash and cash equivalents (note 6(a))	\$ 800,836	71	414,481	63	2130	\$ 33,100	3	20,694	3
1137 Current financial assets at amortized cost (notes 6(b) and 8)	48,079	4	6,142	1	2170	535	-	501	-
1170 Accounts receivable, net (note 6(c))	53,475	5	34,307	5	2200	64,916	6	59,085	10
1181 Accounts receivable due from related parties (notes 6(c) and 7)	2,000	-	39,609	6	2230	37,508	3	27,543	4
1140 Current contract assets (note 6(m))	162,306	15	93,706	14	2280	8,937	1	10,541	2
1470 Other current assets (note 7)	4,283	-	2,400	-	2300	18,243	1	674	-
	<u>1,070,979</u>	<u>95</u>	<u>590,645</u>	<u>89</u>		<u>163,239</u>	<u>14</u>	<u>119,038</u>	<u>19</u>
Non-current assets:									
1551 Investments accounted for using equity method (note 6(d))	40,566	4	37,381	6	2580	-	-	8,937	1
1600 Property, plant and equipment (note 6(e))	3,334	-	5,840	1	2670	10,473	1	8,906	1
1755 Right-of-use assets (note 6(f))	8,063	1	17,738	3		10,473	1	17,843	2
1995 Other non-current assets (note 6(i))	4,858	-	5,504	1		173,712	15	136,881	21
	<u>56,821</u>	<u>5</u>	<u>66,463</u>	<u>11</u>					
Total assets	<u>\$ 1,127,800</u>	<u>100</u>	<u>\$ 657,108</u>	<u>100</u>		<u>\$ 335,374</u>	<u>30</u>	<u>\$ 305,424</u>	<u>46</u>
						<u>461,225</u>	<u>41</u>	<u>78,102</u>	<u>12</u>
Liabilities and Equity									
Current liabilities:									
Current contract liabilities (note 6(m))						33,377	3	22,537	3
Accounts payable						119,806	11	111,796	18
Other payables						153,183	14	134,333	21
Current tax liabilities						4,306	-	2,368	-
Current lease liabilities (note 6(g))									
Other current liabilities									
Non-current liabilities:									
Non-current lease liabilities (note 6(g))									
Other non-current liabilities (notes 6(h) and (i))									
Total liabilities									
Equity attributable to owners of parent (notes 6(j) and (k)):									
Ordinary share					3110				
Capital surplus					3200				
Retained earnings:									
Legal reserve					3310				
Unappropriated retained earnings					3351				
Other equity					3410				
Total equity									
Total liabilities and equity									
	<u>\$ 1,127,800</u>	<u>100</u>	<u>\$ 657,108</u>	<u>100</u>		<u>\$ 1,127,800</u>	<u>100</u>	<u>\$ 657,108</u>	<u>100</u>

GROUNDHOG INC.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4100	Operating revenues (notes 6(m) and 7)	\$ 375,137	100	357,237	100
5000	Operating costs (notes 6(h), (n) and 12)	49,150	13	58,010	16
5900	Gross profit from operations	325,987	87	299,227	84
6000	Operating expenses (notes 6(c), (h), (k), (n) and 12)				
6100	Selling expenses	41,768	11	41,555	12
6200	Administrative expenses	40,937	11	42,875	12
6300	Research and development expenses	125,293	33	94,596	26
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(1,361)	-	959	-
		206,637	55	179,985	50
6900	Net operating income	119,350	32	119,242	34
	Non-operating income and expenses:				
7100	Interest income	9,831	3	5,967	2
7050	Finance costs (note 6(g))	(283)	-	(468)	-
7020	Other gains and losses, net (note 6(o))	19,457	5	4,731	1
7070	Share of profit (loss) of associates accounted for using equity method, net	863	-	6,413	2
	Total non-operating income and expenses	29,868	8	16,643	5
	Profit before income tax	149,218	40	135,885	39
7950	Less: Income tax expenses (note 6(i))	30,065	8	26,003	7
	Profit	119,153	32	109,882	32
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8321	Gains (losses) on remeasurements of defined benefit plans (note 6(h))	309	-	(1,477)	-
8360	Item that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	2,422	1	(31)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	484	-	(6)	-
		1,938	1	(25)	-
8300	Other comprehensive income (after tax)	2,247	1	(1,502)	-
8500	Comprehensive income	\$ 121,400	33	108,380	32
	Profit, attributable to:				
8610	Owners of parent	\$ 119,153	32	109,882	32
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 121,400	33	108,380	32
9750	Basic earnings per share (NT dollars) (note 6(l))	\$ 3.56		3.60	
9850	Diluted earnings per share (NT dollars) (note 6(l))	\$ 3.55		3.47	

GROUNDHOG INC.
Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Total equity
			Legal reserve	Unappropriated retained earnings		
Balance at January 1, 2023	\$ 305,424	78,102	10,894	118,878	2,393	515,691
Profit for the year ended December 31, 2023	-	-	-	109,882	-	109,882
Other comprehensive income for the year ended December 31, 2023	-	-	-	(1,477)	(25)	(1,502)
Comprehensive income for the year ended December 31, 2023	-	-	-	108,405	(25)	108,380
Legal reserve appropriated	-	-	11,643	(11,643)	-	-
Cash dividends on ordinary share	-	-	-	(103,844)	-	(103,844)
Balance at December 31, 2023	305,424	78,102	22,537	111,796	2,368	520,227
Profit for the year ended December 31, 2024	-	-	-	119,153	-	119,153
Other comprehensive income for the year ended December 31, 2024	-	-	-	309	1,938	2,247
Comprehensive income for the year ended December 31, 2024	-	-	-	119,462	1,938	121,400
Legal reserve appropriated	-	-	10,840	(10,840)	-	-
Cash dividends on ordinary share	-	-	-	(100,612)	-	(100,612)
Proceeds from issuing shares	29,950	380,881	-	-	-	410,831
Share-based payment transaction	-	2,242	-	-	-	2,242
Balance at December 31, 2024	\$ 335,374	461,225	33,377	119,806	4,306	954,088

GROUNDHOG INC.
Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 149,218	135,885
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	12,508	12,422
Amortization expense	336	335
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(1,361)	959
Interest expense	283	468
Interest income	(9,831)	(5,967)
Compensation cost for share-based payments	2,242	-
Share of profit of subsidiaries, associates accounted for using equity method	(863)	(6,413)
Loss on disposal of investments	440	-
Total adjustments to reconcile profit	3,754	1,804
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(67,155)	(26,811)
Accounts receivable (including related parties)	12,710	(6,198)
Other receivable	275	(275)
Other current assets	(1,832)	1,801
Total changes in operating assets	(56,002)	(31,483)
Changes in operating liabilities:		
Accounts payable (including related parties)	34	13
Other payable	5,830	1,896
Contract liabilities	18,053	(18,899)
Other current liabilities	17,570	9,132
Net defined benefit liabilities	699	342
Total changes in operating liabilities	42,186	(7,516)
Total changes in operating assets and liabilities	(13,816)	(38,999)
Total adjustments	(10,062)	(37,195)
Cash inflow generated from operations	139,156	98,690
Interest received	9,736	5,987
Income taxes paid	(19,581)	(21,263)
Net cash flows from operating activities	129,311	83,414
Cash flows from (used in) investing activities:		
Proceeds from (acquisition of) financial assets at amortized cost	(41,937)	200,960
Acquisition of property, plant and equipment	(327)	(2,090)
Other investing activities	(111)	(210)
Net cash flows from (used in) investing activities	(42,375)	198,660
Cash flows from (used in) financing activities:		
Payments of lease liabilities	(10,800)	(9,900)
Cash dividends paid	(100,612)	(103,978)
Capital increase by cash	410,831	-
Net cash flows from (used in) financing activities	299,419	(113,878)
Net increase in cash and cash equivalents	386,355	168,196
Cash and cash equivalents at beginning of period	414,481	246,285
Cash and cash equivalents at end of period	\$ 800,836	414,481

<Attachment 5>

Independent Auditors' Report and 2024 Consolidated Financial Statements



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號88樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 8868
傳真 Fax + 886 2 8101 8867
網址 Web kpmg.com/tw

4

Independent Auditors' Report

To the Board of Directors of Groundhog Inc.:

Opinion

We have audited the consolidated financial statements of Groundhog Inc. 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 ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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(I) "Revenue" and Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" to the consolidated financial statements.

Description of key audit matter:

The Group engages in optimizing its intelligence platform system and provides big data analytics for its clients, which particularly involved the estimates made for percentage of completion ratio recognized as revenue. Therefore, considered revenue recognition as our key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included understanding the revenue recognition's accounting policy and assessing whether they are consistent with the accounting standards; random sampling of each revenue transaction and compare it with the purchase orders, condition of sales contract, input of the project time report, acceptance documentation, and collection records. In addition, we also obtained the ongoing project list to examine the calculation of completion percentage used as a basis for the recognition of contract assets.

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 Huang, Yung-Hua and Yu, Sheng-Ho.



KPMG

Taipei, Taiwan (Republic of China)
March 13, 2025

GROUNDHOG INC. AND ITS SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023			December 31, 2024		December 31, 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:					Liabilities and Equity				
1100 Cash and cash equivalents (note 6(a))	\$ 856,246	75	494,126	73	2130 Current contract liabilities (note 6(i))	\$ 45,121	4	37,559	6
1137 Current financial assets at amortized cost (notes 6(b) and 8)	48,079	4	6,142	1	2170 Accounts payable	1,056	-	990	-
1140 Current contract assets (note 6(i))	162,306	14	93,706	14	2200 Other payables	66,875	6	60,594	9
1170 Accounts receivable, net (notes 6(c) and (l))	53,475	5	48,486	7	2230 Current tax liabilities	37,518	3	27,559	4
1470 Other current assets	6,070	1	4,575	1	2280 Current lease liabilities (note 6(f))	8,937	1	10,541	2
	1,126,176	99	647,035	96	2300 Other current liabilities	18,412	2	850	-
						177,919	16	138,093	21
Non-current assets:									
1600 Property, plant and equipment (note 6(d))	3,334	-	5,840	1	Non-Current liabilities:				
1755 Right-of-use assets (note 6(e))	8,063	1	17,738	2	2580 Non-current lease liabilities (note 6(f))	-	-	8,937	1
1995 Other non-current assets (note 6(h))	4,907	-	5,550	1	2670 Other non-current liabilities (notes 6(g) and 8)	10,473	1	8,906	1
	16,304	1	29,128	4		10,473	1	17,843	2
						188,392	17	155,936	23
					Total liabilities				
					Equity attributable to owners of parent (notes 6(i) and (j)):				
					Ordinary share	335,374	29	305,424	45
					Capital surplus	461,225	40	78,102	12
					Retained earnings:				
					Legal reserve	33,377	3	22,537	3
					Unappropriated retained earnings	119,806	11	111,796	17
					Other equity	153,183	14	134,333	20
						4,306	-	2,368	-
					Total equity	954,088	83	520,227	77
Total assets	\$ 1,142,480	100	676,163	100	Total liabilities and equity	\$ 1,142,480	100	676,163	100

GROUNDHOG INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(l))	\$ 393,778	100	371,188	100
5000	Operating costs (notes 6(g), (m) and 12)	61,484	16	66,129	18
5900	Gross profit from operations	332,294	84	305,059	82
6000	Operating expenses (notes 6(c), (g), (m) and 12)				
6100	Selling expenses	44,932	11	43,859	12
6200	Administrative expenses	41,807	11	43,728	12
6300	Research and development expenses	125,293	32	94,597	25
6450	Reversal of impairment loss determined in accordance with IFRS 9	(1,467)	-	(2,053)	(1)
		210,565	54	180,131	48
6900	Net operating income	121,729	30	124,928	34
	Non-operating income and expenses:				
7100	Interest income	9,984	3	6,323	2
7050	Finance costs (note 6(f))	(282)	-	(468)	-
7020	Other gains and losses, net (note 6(n))	17,823	5	5,118	1
	Total non-operating income and expenses	27,525	8	10,973	3
	Profit before income tax	149,254	38	135,901	37
7950	Less: Income tax expenses (note 6(h))	30,101	8	26,019	7
	Profit	119,153	30	109,882	30
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8321	Gains (losses) on remeasurements of defined benefit plans (note 6(g))	309	-	(1,477)	(1)
8360	Item that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	2,422	1	(31)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(h))	(484)	-	6	-
		1,938	1	(25)	-
8300	Other comprehensive income (after tax)	2,247	1	(1,502)	(1)
8500	Comprehensive income	\$ 121,400	31	108,380	29
	Profit, attributable to:				
8610	Owners of parent	\$ 119,153	30	109,882	30
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 121,400	31	108,380	29
9750	Basic earnings per share (NT dollars) (note 6(k))	\$ 3.56		3.60	
9850	Diluted earnings per share (NT dollars) (note 6(k))	\$ 3.55		3.47	

GROUNDHOG INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings	Exchange differences on translation of foreign financial statements	Total equity
				Unappropriated retained earnings		
Balance at January 1, 2023	\$ 305,424	78,102	10,894	118,878	2,393	515,691
Profit for the year ended December 31, 2023	-	-	-	109,882	-	109,882
Other comprehensive income for the year ended December 31, 2023	-	-	-	(1,477)	(25)	(1,502)
Comprehensive income for the year ended December 31, 2023	-	-	-	108,405	(25)	108,380
Legal reserve appropriated	-	-	11,643	(11,643)	-	-
Cash dividends on ordinary share	-	-	-	(103,844)	-	(103,844)
Balance at December 31, 2023	305,424	78,102	22,537	111,796	2,368	520,227
Profit for the year ended December 31, 2024	-	-	-	119,153	-	119,153
Other comprehensive income for the year ended December 31, 2024	-	-	-	309	1,938	2,247
Comprehensive income for the year ended December 31, 2024	-	-	-	119,462	1,938	121,400
Legal reserve appropriated	-	-	10,840	(10,840)	-	-
Cash dividends on ordinary share	-	-	-	(100,612)	-	(100,612)
Proceeds from issuing shares	29,950	380,881	-	-	-	410,831
Share-based payment transaction	-	2,242	-	-	-	2,242
Balance at December 31, 2024	\$ 335,374	461,225	33,377	119,806	4,306	954,088

GROUNDHOG INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 149,254	135,901
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	12,508	12,422
Amortization expense	336	335
Reversal of impairment loss determined in accordance with IFRS 9	(1,467)	(2,053)
Interest expense	282	468
Interest income	(9,984)	(6,323)
Compensation cost for share based payments	2,242	-
Loss on disposal of investments	440	-
Total adjustments to reconcile profit	4,357	4,849
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(67,155)	(26,811)
Accounts receivable	(10,750)	22,954
Other current assets	(1,351)	1,115
Total changes in operating assets	(79,256)	(2,742)
Changes in operating liabilities:		
Contract liabilities	13,208	(22,273)
Notes and accounts payables	67	36
Other payable	6,280	1,787
Other current liabilities	17,562	9,131
Increase (decrease) in net defined benefit liability	699	342
Total changes in operating assets and liabilities	(41,440)	(13,719)
Total adjustments	(37,083)	(8,870)
Cash inflow generated from operations	112,171	127,031
Interest received	9,889	6,343
Income taxes paid	(19,617)	(21,267)
Net cash flows from operating activities	102,443	112,107
Cash flows from (used in) investing activities:		
Proceeds from (acquisition of) financial assets at amortized cost	(41,937)	200,960
Acquisition of property, plant and equipment	(327)	(2,090)
Other investing activities	(138)	(211)
Net cash flows from (used in) investing activities	(42,402)	198,659
Cash flows from (used in) financing activities:		
Payments of lease liabilities	(10,800)	(9,900)
Cash dividends paid	(100,612)	(103,978)
Proceeds from issuing shares	410,831	-
Net cash from (used in) financing activities	299,419	(113,878)
Effect of exchange rate changes on cash and cash equivalents	2,660	(188)
Net increase in cash and cash equivalents	362,120	196,700
Cash and cash equivalents at beginning of period	494,126	297,426
Cash and cash equivalents at end of period	\$ 856,246	494,126

<Attachment 6>

Groundhog Inc.
Statement of Profit Distribution
2024

Unit: NT\$

Item	Amount
Net Profit of 2023	119,153,404
Minus: Remeasurement of Defined Benefit Plans Counted in Retained Earnings	309,015
The amount of current period net profit after tax, plus other items besides the current period net profit after tax, included in the undistributed earnings for the current year	119,462,419
Minus: Legal Reserve Appropriated	11,946,242
Distributable earnings for the current period	107,516,177
Plus: Beginning Balance of Unappropriated Earnings	342,957
Retained Earnings Available for Distribution	107,859,134
Distribution of Shareholder Dividends - Cash (NT\$ 3.2 per share)	107,319,680
Ending Balance of Unappropriated Earnings	539,454

Chairman:
Chiou, Ta-Gang

President:
Chiou, Ta-Gang

Accounting Officer:
Syu, Fu-Ciang

<Attachment 7>

**Articles of Incorporation
of
Groundhog Inc.
(the “Company”)**

Comparison Table for Content of Articles Before and After Revisions

After Revision	Before Revision	Explanation
<p>If the Company has profits in a given fiscal year, it shall allocate no less than 5% of the profits as employee compensation, <u>of which no less than 1% shall be allocated to grassroots employees</u> and no more than 1% shall be allocated to directors as remuneration. However, if the Company still has accumulated losses, the amount required to cover such losses shall be retained in advance.</p>	<p>If the Company has profits in a given fiscal year, it shall allocate no less than 5% of the profits as employee compensation and no more than 1% shall be allocated to directors as remuneration. However, if the Company still has accumulated losses, the amount required to cover such losses shall be retained in advance.</p>	<p>Pursuant to the amended provisions of Article 14, Paragraph 6 of the Securities and Exchange Act.</p>
<p>Article 29 These Articles of Incorporation are agreed to and signed on January 1, 2019. The first amendment was approved on May 22, 2020. The second amendment was approved on June 30, 2020. The third amendment was approved on August 31, 2021. The fourth amendment was approved on August 4, 2022. The fifth amendment was approved on June 24, 2024. <u>The sixth amendment was approved on June 23, 2025.</u></p>	<p>Article 29 These Articles of Incorporation are agreed to and signed on January 1, 2019. The first amendment was approved on May 22, 2020. The second amendment was approved on June 30, 2020. The third amendment was approved on August 31, 2021. The fourth amendment was approved on August 4, 2022. The fifth amendment was approved on June 24, 2024.</p>	

<Attachment 8>

Name	Holding Shares	Education/ Experience	Present position
Director Fanrui Investment Co.,Ltd. Representative Chiou Ta-Gang	5,292,000 shares	MS, Media Lab, Massachusetts Institute of Technology BS, Electrical Engineering, National Taiwan University Advisor, Creativity Lab ITRI Research Institute Advisory Board, Skysoft Co.,Ltd. Merrill Lynch Fellow AT&T Labs Research Consultant	Chairman - Groundhog Inc. -Groundhog Technologies Inc. (US) -Groundhog Pte. Ltd. (Singapore) -Groundhog Technologies Inc. (Cayman Island) -Fanrui Investment Co.,Ltd. Supervisor -Call Saver Technology Inc. Director -Comprehensive Buddhist Electronic Text Archive Foundation
Director Horng Jyh-Feng	162,000 shares	MSEE Degree, Northwestern University (US) BS, Electrical Engineering, National Cheng Kung University Director- Senhwa Biosciences, Inc. Director- H&D Venture Capital Investment Corp. Director- Gemine Open Cloud Computing Inc. Director- Xuan Fan Electrooptical Technology Co., Ltd. Supervisor- MegaPro Biomedical Co., Ltd. Supervisor- EirGenix, Inc. Director- Kuangli Bio Tech Holdings Co., Ltd. General Manager- Investment Business of Handing Co., Ltd.	President -Black Marble Capital Management Co., LTD. Director -Groundhog Inc. - Black Marble Capital International Investment Co., LTD. -Jetbest Corporation -Xrex Inc. - Chip-GaN Power Semiconductor Corporation -Attopsemi Technology Co., Ltd.
Director Liu Chiann	915,894 shares	Bachelor of Music, Tunghai University Master of Music, National Taiwan Normal University Professor, Department of Music, Taipei City University	Director -Groundhog Inc. Chairmen - Ching O Co., Ltd.

Name	Holding Shares	Education/ Experience	Present position
Independent Director Ho-Chen Tan	4,000 shares	Virginia Tech Master of Urban Planning Bachelor of Civil Engineering, National Chung Hsing University Minister of Transportation of the Republic of China Chairman -Chunghwa Telecom Corporation -EasyCard Investment Holdings Co., Ltd. - Taipei Rapid Transit Corporation Director of Department of Transportation, Taipei City Government	Independent Director -Groundhog Inc. -PChome Online Inc. Institutional director's representative- Kindom Development Co., Ltd. Kedge Construction Co., Ltd.
Independent Director Tseng Chin-Lung	0 share	Bachelor of International Trade, Tamkang University Director - Securities OTC Trading Center Chairman - KGI Securities Co., Ltd. - Global Securities Finance Co., Ltd. - KGI Insurance Brokers Co., Ltd. Executive Director on 5 th & 6 th term and Director on 3 rd & 4 th term of Taiwan Securities Association	Independent Director -Groundhog Inc. Senior Consultant -KGI Securities Co., Ltd. CEO -KGI Welfare & Charity Foundation Chairman -Weihong Investment Co., Ltd. -Xingwen Investment Co., Ltd. -Jingguan Investment Co., Ltd. -Yuming Investment Co., Ltd.
Independent Director Tseng Tsung-Lin	0 share	MBA, University of Missouri- Columbia Bachelor of Accounting, National Cheng Kung University Finance Manager of Philips Taiwan Ltd. Chief Investment Officer, Quanta Computer Corporation Chief Financial Officer - United Microelectronics Corporation - Taiwan Semiconductor Manufacturing Company Supervisor- XAC Automation CORP.	Independent Director -Groundhog Inc. -GCS Holdings, Inc. Director- XAC Automation CORP.
Independent Director Lin Yi-Bing	0 share	PhD in Computer Engineering , University of Washington (Seattle) Bachelor of Electrical Engineering, National Cheng Kung University Vice President - National Chiao Tung University Vice Chairman - National Science Council Deputy Minister - Science and Technology Vice President	Independent Director -Groundhog Inc. Tenured Chair Professor of Department of Computer Science, National Yang- Ming Chiao Tung University Independent Director/ Audit Committee member - Information Technology Total Services Co., Ltd. Diretor -National Applied Research Labs. -18 th term of Ming-Der Senior High School -12 th term of Advantech Foundation

Name	Holding Shares	Education/ Experience	Present position
		<ul style="list-style-type: none"> - National Chiao Tung University, Taiwan Joint University System Advisory Committee Member - Smart Hospital Project of Military Medical Bureau of the Ministry of National Defense Director - National Chung Shan Institute of Science and Technology Bell Communications Research Scientist 	<ul style="list-style-type: none"> Senior Distinguished Research Fellow-ITRI Project Consultant -Central Taiwan University System - Hsinchu County Smart City Project, Hsinchu County Government Review Committee Member -International Cooperation Strategy for International Collaborative Research Projects, National Science and Technology Council

<Attachment 9>

Groundhog Inc.

Rules of the Transfer of Treasury Shares to Employees upon First Share Repurchase

Promulgated on April 9, 2025

Article 1 (Purpose)

In order to incentivize employees and enhance their sense of belonging, the Company hereby establishes these “Rules of the Transfer of Treasury Shares to Employees upon First Share Repurchase” (the “Rules”) pursuant to Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the “Regulations Governing of Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Commission. Unless otherwise provided by applicable laws and regulations or these Regulations, the transfer of treasury shares repurchased by the Company to employees shall be governed by the provisions hereof.

Article 2 (Type of Shares Transferred, Rights Attached, and Restrictions)

The shares transferred by the Company to employees shall be common shares. Except as otherwise provided by applicable laws and regulations or these Regulations, such shares shall have the same rights and obligations as other outstanding common shares.

Article 3 (Transfer Period)

The shares repurchased by the Company may be transferred to employees in one or more tranches within three (3) years from the date of repurchase in accordance with these Regulations.

Article 4 (Eligibility of Transferees)

All full-time employees of the Company who are employed on the record date for share subscription shall be eligible to participate. Employees who resign between the subscription record date and the payment deadline shall forfeit their eligibility to subscribe.

Article 5 (Allocation of Shares for Transfer)

The number of shares that an employee may subscribe shall be determined based on factors including the employee’s rank, years of service, individual performance, contribution to the Company, the total number of treasury shares held by the Company on the subscription record date, and the maximum number of shares that may be allocated to a single employee.

If the subscribing employee is a managerial officer, the subscription plan shall be submitted to the Remuneration Committee for review and subsequently approved by the Board of Directors. If the subscribing employee is not a managerial officer, the plan shall be approved by the Audit Committee before being submitted to the Board of Directors for resolution.

Employees who fail to complete subscription and payment within the prescribed period shall be deemed to have waived their rights.

Article 6 (Procedures for Repurchase and Transfer)

The transfer of treasury shares to employees shall be conducted in accordance with the following procedures:

1. The Company shall, in accordance with a resolution of the Board of Directors, publicly announce, file, and execute the repurchase of its shares within the approved period.
2. The Board of Directors shall determine and announce matters including the number of shares to be transferred in tranches, the record date for employee subscription, the criteria for determining the number of shares employees may subscribe, the subscription and payment period, the rights attached to the shares, and any applicable restrictions.
3. The actual number of shares subscribed and paid for shall be calculated, and the share transfer and registration procedures shall be completed.

Article 7 (Agreed Transfer Price per Share)

The transfer price of the repurchased shares to be transferred to employees shall be the average price at which the shares were actually repurchased. The transfer price shall be rounded up to the nearest tenth of a New Taiwan Dollar (NTD cent) using the unconditional rounding method.

However, if, prior to the transfer, the number of issued common shares of the Company increases or decreases, the transfer price may be adjusted based on the ratio of such change in issued shares in accordance with the following formula:

Adjusted Transfer Price =

Average Repurchase Price × Total Number of Issued Common Shares upon Completion of Share Repurchase / Total Number of Issued Common Shares before the Transfer of Treasury Shares to Employees

Note: The total number of issued common shares shall be based on the number registered with the Ministry of Economic Affairs.

Article 8 (Rights and Obligations after Transfer)

Upon completion of the share transfer and registration, unless otherwise provided, the rights and obligations associated with the transferred shares shall be identical to those of the original shares.

Article 9 (Other Rights and Obligations between the Company and Employees)

Any taxes or fees incurred in connection with the transfer of treasury shares to employees shall be borne by the Company or the employees respectively in accordance with applicable laws and regulations.

Article 10 (Other Matters)

All shares repurchased for the purpose of transfer to employees shall be fully transferred within three (3) years from the date of repurchase. Any portion not transferred within such period shall be deemed as unissued shares of the Company and shall be canceled in

accordance with applicable laws and procedures for capital reduction and amendment of corporate registration.

Article 11 (Implementation and Amendment)

These Rules shall take effect upon approval by the Board of Directors and shall be reported to the next shareholders' meeting. The same shall apply to any amendments hereto.