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2033

CHIA TA WORLD CO., LTD.

2024 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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I. Letter to Shareholders

I. Business Report for 2024

(1).Result for Business report for 2024

Unit: NT\$ thousands, Metric Ton

Year Account Names	2024	2023	Difference	
			Amount	%
Sales Revenue	577,650	586,548	(8,898)	(1.52)
Cost of Sales	500,108	534,430	(34,322)	(6.42)
Gross Profits	77,542	52,118	25,424	48.78
Gross Margin	13.42	8.89	4.54	51.07
Operating Expense	60,624	58,190	2,434	4.18
Operating Income	16,918	-6,072	22,990	378.62
Total Non-Operating Income and Expense	2,757	2,345	412	17.57
Income before Tax	19,675	-3,727	23,402	627.90
Net income	15,722	-3,112	18,834	605.21
Other Comprehensive Income of the period	14,830	740	14,090	1,904.05
Earnings per share	0.19	-0.04	0.23	575.00
Annual Sales	16,262	16,532	(270)	(1.63)
Annual Yield	12,495	12,290	205	1.67

Reasons for differences are listed below:

1. In 2024, the wire market remained stagnant, resulting in a slight decrease in sales volume by 270 metric tons. However, the average unit price increased by NT\$0.04 per kilogram, while the average cost of goods sold decreased by NT\$1.57 per kilogram. With selling prices rising and costs declining, the overall gross profit margin improved by 4.54% compared to the same period last year.
2. Operating expenses increased by NT\$2,434 thousand, primarily due to the company turning profitable in 2024, which resulted in the provision of remuneration to directors, supervisors, and employees. In addition, the growth in export volume led to a corresponding rise in export-related expenses.
3. The net amount of non-operating income increased by NT\$412 thousand compared to the same period last year, mainly driven by higher interest and dividend income and a decrease in interest expenses in 2024.
4. Although revenue growth in 2024 did not meet expectations, the company implemented stringent control over the procurement costs of raw materials and goods, leading to a 6.42% reduction in the cost of goods sold compared to last year. As a result, gross profit from sales increased by NT\$25,424 thousand year over year. Since there were no significant changes in operating expenses and non-operating items compared to the previous year, the company recorded a net income after tax of NT\$15,722 thousand for the year.

(2) Cash inflows and outflows:

The comparison of cash inflows and outflows of the Company in 2024 and 2023 are listed below:

Items	2024	2023	Unit: Thousands
			Difference
Net Cash Inflows(Outflows)from operating activities	73,809	58,458	15,351
Net Cash Inflows(Outflows)from investing activities	2,103	-5,026	7,129
Net Cash Inflows(Outflows)from financing activities	(74,572)	69,884	(4,689)

1. Net Cash Inflow (Outflow) from Operating Activities: The increase in profits in 2024 led to the net cash inflow from operating activities.
2. Net Cash Inflow (Outflow) from Investment Activities: In 2024, the net cash inflow from investment activities amounted to NT\$28,041 thousand, primarily from the disposal of financial assets measured at fair value through other comprehensive income. This was offset by a net cash outflow of NT\$21,233 thousand related to the acquisition of property, plant, and equipment, and the prepayment of equipment.
3. Net Cash Inflow (Outflow) from Financing Activities: The increase in cash inflows from operating activities in 2024 was partially offset by a cash outflow of NT\$4,689 thousand due to the repayment of short-term notes and borrowings, which were not renewed.

(3) Analysis of profitability:

Item	2024	2023	Rate in difference
Returns on assets	1.48	(0.05)	1.53
Returns on equity	1.52	(0.30)	1.82
Profit rate	2.72	(0.53)	3.25

In 2024, due to proactive control over raw material and goods procurement costs, the cost of goods sold decreased compared to the same period last year, resulting in an increase in gross profit for the entire year. As a result, the company's profitability in 2024 was better than in 2023.

(4) The research performance in 2024:

1. Continuously collect, analyze, and test relevant process data to identify and eliminate factors that may contribute to product defect rates and material loss, thereby improving product quality and yield.
2. Due to changes in raw material weight from 1.5 tons to 2.5 tons, the length and height of each coil have increased. The original pickling tanks became unsuitable, adversely affecting the quality of the pickling process. Therefore, the pickling tanks were reconstructed with increased length and depth to enhance rust removal efficiency, ensuring complete pickling and improving surface coverage integrity, which in turn enhances product quality and yield.
3. A tunnel-type pickling system was designed and the air pollution control equipment was upgraded to increase exhaust efficiency, improve the working environment, prevent acid leakage, and comply with the latest environmental regulations.
- 4.

II. 2025 Operational plan

Taiwan's economic development has long depended on exports, making its economic activities highly vulnerable to global economic fluctuations. Taiwan's trade relations with China are also heavily influenced by political factors. Due to the inability to sign more favorable tariff agreements, export costs remain higher compared to other Southeast Asian countries. Additionally, the ongoing tensions between the United States and China, along with the potential conclusion of the Russia-Ukraine war, continue to affect global trade. The international steel market remains uncertain, dragged down by the lack of strong economic recovery in China and the imposition of aggressive reciprocal tariffs by the United States.

In response to these challenges, the Company has formulated the following operational strategies for 2025:

1. Continue to actively seek sources of raw materials and prioritize the procurement of competitively priced materials to reduce costs.
2. Implement a product grading system based on customer requirements to meet diverse customer needs.
3. Invest in new wire drawing machines to enhance product quality and increase production capacity.
4. Continue upgrading existing equipment and optimizing manufacturing processes to improve output and product quality.
5. Strengthen customer communication and sales services to boost efforts in securing orders.
6. Fully implement ISO 9001:2015 to continuously enhance quality and operational effectiveness.
7. Strengthen relationships with both upstream suppliers and downstream customers to ensure stable raw material supply, consolidate sales channels, and create win-win outcomes.
8. Improve market responsiveness mechanisms to swiftly adapt to changes in pricing and customer demand, securing more business opportunities.
9. Strictly control capital expenditures to reduce the Company's debt ratio.

3. Future development strategies, the influence of external environment and competition and the influence of regulations and macro-economic environment

(1) Future development strategies

1. The wire market features diversified demands and varying requirements across customer segments. To meet market and customer quality expectations, the Company adopts a diversified and customized production strategy. By sourcing raw materials from multiple

origins and fine-tuning production processes or conditions, we aim to satisfy a broad range of customer needs, enhance customer satisfaction, and strengthen long-term relationships.

2. To reduce the risk of material shortages, the Company adopts a multi-supplier procurement strategy for raw materials. This approach ensures better control over material sourcing, disperses market risks, and secures favorable pricing and stable supply.
3. To avoid the risks associated with over-concentration in specific sales markets, the Company continues to expand and deepen its presence in Japan, the United States, mainland China, and Southeast Asia, effectively broadening its market reach and improving overall sales performance.
4. The Company is investing in new-generation wire drawing machines and upgrading existing equipment to enhance product quality and production capacity in response to evolving market demands. Upgrades also include modernizing electronic control systems, thereby extending equipment lifespans and reducing production costs.
5. Approximately 154KW of solar power generation equipment has been installed for internal use. Through this setup, the Company acquires carbon credits as green energy certificates, providing a means to address potential future domestic and international carbon tax issues, while advancing ESG governance initiatives.

(2) The influence of external environment and competition

Internationally, nations are actively combating inflation. While prices of raw materials such as energy, iron ore, and coking coal remain volatile, the magnitude of fluctuations is beginning to stabilize. In addition, as major global economies gradually implement economic stimulus initiatives, prospects for the steel market remain optimistic. The Company continues to closely monitor international pricing trends and global economic conditions. Should the external environment shift, we are positioned to promptly adjust our sales and procurement strategies to effectively mitigate potential impacts. In anticipation of steel price fluctuations, the Company will adopt a more agile approach to raw material procurement and inventory control, allowing us to adjust inventory levels and secure favorable purchase prices—ultimately driving stronger operational results and profitability.

(3) The influence of regulations and macro-economic environment

Regulatory requirements governing corporate operations are becoming increasingly stringent. The Financial Supervisory Commission (FSC) now mandates that listed companies disclose greenhouse gas inventory information. The Company will comply with all such regulations—not only to fulfill its corporate social responsibilities but also to enhance employee morale. Although challenges such as rising oil and electricity costs, stricter waste disposal regulations, and growing environmental concerns are making operations more difficult and costly, the Company continues to respond prudently to minimize the potential impact of environmental change.

Despite revenue growth in 2024 falling short of expectations, the Company has successfully returned to profitability. Looking ahead to the fast-evolving environment in 2025, our management team remains committed to the same spirit of perseverance and proactive execution. With the continued support of our shareholders and the guidance of our board of directors, we are confident in achieving our operational goals and delivering stronger results.

(4) As the number of independent directors was insufficient to convene an Audit Committee, the matter was approved with the consent of more than two-thirds of all directors in accordance with Article 14-5 of the Securities and Exchange Act.

II. Corporate Governance Report

2.1 Information on Directors, Supervisor, General Managers and Major Shareholders of Corporation Shareholders

2.1.1 Information on directors and independent directors

(1) Directors and independent directors:

May 12, 2025

Title (Note 1)	Nationality or registered	Name	Gender & Age (Note 2)	Date of Election	Term	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Experience (Note 4)	Concurrent Positions	Spouse or relative holding a position as Key Manager, Director or Supervisor			Footnote (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Wu, Ta-He	Male 79	June 20, 2024	3	April 8, 1973	6,859,931	8.50%	6,859,931	8.50%	1,729,931	2.14%	0	0.00%	Feng Chia University President of Chia Ta	Director of Advanced Electronic Materials	Director	Tseng, Wen-Chun	Spouse's brother	None
Deputy Chairman	ROC	Hao Fu Investment Co., Ltd.	-	June 20, 2024	3	June 24, 2015	1,049,946	1.30%	1,049,946	1.30%	-	0.00%	0	0.00%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	None
	ROC	Representative: Chuang, Hui-Chen	Female 59	June 20, 2024	3	August 7, 2017	1,550,600	1.92%	1,550,600	1.92%	2,108,714	2.61%	0	0.00%	Senior High School Chairman of Yuan Ying Construction	Chairman of Yuan Ying Construction	None	None	None	None
Director	ROC	Tseng, Wen-Chun	Male 74	June 20, 2024	3	July 26, 2021	3,285,730	4.07%	3,285,730	4.07%	279,106	0.35%	0	0.00%	Chia Nan University of Pharmacy and Science Vice President of Chia Ta	Chairman of Wan Ying Investment	Chairman	Wu, Ta-He	Brother- in-law	None
Director	ROC	Li, Shih-Min	Male 60	June 20, 2024	3	June 24, 2010	338,000	0.42%	338,000	0.42%	0	0.00%	0	0.00%	Junior High School Assistant Manager of General Affairs of Chia Ta World	Assistant Manager of General Affairs of Chia Ta World	None	None	None	None
Independent Director	ROC	Huang, Min- Shan	Male 53	June 20, 2024	3	July 26, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Taiwan University Manager of ChipMOS Technologies	Assistant Manager of Solar Applied Materials	None	None	None	None
Independent Director	ROC	Hu, Chin-Lien	Female 48	June 20, 2024	3	July 26, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ling Tung University CPA of Candor Taiwan	CPA of Candor Taiwan	None	None	None	None
Independent Director	ROC	Wang, Chun- Teng	Male 50	June 20, 2024	3	June 20, 2024	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Chihlee University of Technology Dalton Business Manager	Executive Director of 松茂金屬	None	None	None	None

The re-elected independent director Hu, Chin-Lien and newly appointed independent director Wang, Chun-Teng, who are also independent directors of TienPin United Enterprise Co., Ltd.(6199), were disqualified and terminated on July 16, 2024.

Note 1: For corporate shareholders, the name of the corporate shareholder and the representative should be listed separately (if the representative is also a corporate shareholder, the name of the corporate shareholder should be indicated), and Table 1 below should be filled out.

Note 2: Please list the actual age, optionally using a range, such as 40–50 or 51–60.

Note 3: Provide the time when the person first served as a company director or supervisor. If there have been interruptions, include an explanatory note.

Note 4: Include relevant experience related to the current position. If, during the specified period, the individual worked at an auditing CPA firm or related company, state the title and responsibilities.

Note 5: If the Company's chairman and the general manager or equivalent position (highest executive officer) are the same person, spouses, or first-degree relatives, the reason, rationality, necessity, and relevant information on measures taken in response (such as increasing the number of independent director seats, and having more than half of the directors not concurrently serving as employees or managers, etc.) should be explained

(2) Major shareholders of the corporation shareholders

Name of Corporation Shareholders (Note 1)	Major Shareholders (Note 2)			
Hao Fu Investment Co., Ltd.	Shareholder Name:	Li, Chen-Ting	Li, Chen-Kuan	Li, Chen-Chieh
	Ownership:	25%	25%	25%
		Li, Chen-Hao	25%	

Note: Source - Ministry of Economic Affairs, Department of Commerce

Note 1: If directors or supervisors are representatives of corporation shareholders, please provide the name of the corporation shareholder.

Note 2: Fill in the names of the major shareholders of the corporate shareholder (the top ten shareholders) and their shareholding ratios.

Note 3: If the corporate shareholder is not an organizational entity of the company, please disclose the names and shareholding ratios of the shareholders, which are the names and contribution/donation ratios of the contributors or donors. If the donor has passed away, add "deceased".

(3) Professional qualifications and independence analysis of directors and independent directors

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status(Note 2)				Number of other public companies in which the individual is concurrently serving as an independent director
		Does natural person, spouse, or relatives within the second degree serve as directors, supervisors or employees of this company or its affiliates	Number and ratio of company shares held by natural person, spouse, and relatives within the second degree (or held by the person under others' name)	Does a natural person serve as a director, supervisor, or employee of a company with a specific relationship with the Company (as Item 1 stipulated in Clauses 5-8 of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)	Remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliates in the past two years	
Director: Wu, Ta-He	1.Chairman of Advanced Electronic Materials & Chia Ta World. 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	8,589,862 shares with shareholding of 10.64 %	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Hao Fu Investment Representative: Chuang, Hui-Chen	1.Representative of Li Pei International Investment Co., Ltd. 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	3,659,314 shares with shareholding of 4.53%	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Director: Tseng, Wen-Chun	1.Chairman of Wan Ying Investment 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	3,564,836 shares with shareholding of 4.42%	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Director: Li, Shih-Min	1.Senior Manager of General Affairs of Chia Ta World 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	338,000 shares with shareholding of 0.42%	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director: Yang, Pi-Tsun	1.Head of Detective A Team at National Police Agency 2.Executive Director of Bade Development 3.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director: Huang, Ming-Shan	1.Senior Manager of ChipMOS Technologies 2.Concurrent Senior Manager of SOLARtech 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Independent Director: Hu, Chin-Lien	1.Accountant of HLB Candor Taiwan CPAs 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Concurrently serving as an independent director in TienPin United Enterprise Co., Ltd. (6199), disqualified and terminated on July 16, 2024.
Independent Director: Wang, Chun-Teng	1. Executive Director of 松茂金屬實業有限公司 2. Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Concurrently serving as an independent director in TienPin United Enterprise Co., Ltd. (6199), disqualified and terminated on July 16, 2024.

Note 1: Professional Qualifications and Experience: Describe the individual qualifications and experience of each director and supervisor. If they are members of the Audit Committee and possess accounting or financial expertise, describe their accounting or financial background and work experience. Also, indicate whether there are any circumstances prohibited by Article 30 of the Company Act.

Note 2: Independent Directors should state their independence status, including but not limited to the natural person who serve as directors, supervisors, or employees of the company or its affiliates together with the spouses, or relatives within second degree of kinship; the company shares and ratio holds by the natural person together with their spouses or relatives within second degree of kinship(or held under the name of third parties); and whether they are serve in specified company or institution that have relationship with the company (refer to regulations for independent directors in publicly traded companies).

(4) Diversity Status of the composition of Directors

The Company's board diversity policy is not limited to selection criteria. Directors are only required to possess certain professional qualifications and experience, with no restrictions on gender, age, or nationality. Currently, the board consists of five members, including one independent director (The independent directors, independent director Hu, Chin-Lien and independent director Wang, Chun-Teng elected on June 20, 2024, were disqualified and terminated on July 16, 2024 and the vacancy will be re-elected on June 20, 2025.) specializing in legal affairs, metallurgical technology, and accounting. The directors' ages range from 53 to 79. Of these, 20% (1/5) are current female directors, which falls short of the 1/3 threshold proposed by the Taiwan Stock Exchange.

Reason analysis:

1. Given the historical male-dominated nature of the industry in which the Company operates, there is a limited pool of female candidates who meet the criteria for directorial positions.
2. At present, the majority of members of the Board of Directors are re-elected directors, and the frequency of change is relatively low. This has a negative effect on the progress of gender diversity.
3. Historically, the primary factors in selecting directors were professional competence and experience, with no specific requirement for a gender ratio.

Future Improvement Measures:

1. It is recommended that a target be set to achieve a ratio of at least 30% of female directors by 2029.
 2. Female candidates should be prioritized in the nomination process for directors, and the company actively seeks female professionals with industry experience to join the team.
 3. The objective is to establish an internal female talent cultivation program to strengthen the career development of senior female management and increase the source of future director candidates.
 4. It is essential to regularly assess the progress of board diversity and disclose it publicly in the annual report.
- Each brings their own expertise. The independence of the Company has been disclosed in the previous table.

2.1.2 Information on management Team

May 12, 2025

Title (Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education & Work Experience (Note 2)	Concurrent positions at other Companies	Spouses or Relative Within Two Degrees of Kinship Holding a Position as Manager			Note (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
General Manager	ROC	Chen, Zheng-Ping	male	February 3, 2015	0	0.00%	0	0.00%	0	0.00%	Tamkang University Senior Manager of Sales	None	None	None	None	None
Senior Manager of General Affairs Office	ROC	Huang, Jin- De	male	February 1, 2011	0	0.00%	0	0.00%	0	0.00%	Senior High School Chief of Yongkang Plant 1	None	None	None	None	None
Factory Chief	ROC	Chen, Qing-Hong	male	August 1, 2021	0	0.00%	0	0.00%	0	0.00%	Far East University Chief of Yongkang Plant 1	None	None	None	None	None
Factory Chief	ROC	Wang, Diao-Gui	male	July 26, 2021	0	0.00%	0	0.00%	0	0.00%	Master of NCKU Chief of Yongkang Plant 2	None	None	None	None	None
Factory Sub-Chief	ROC	Li, Jian- Yuan	male	May 15, 2023	0	0.00%	0	0.00%	0	0.00%	Senior High School Sub-Chief of Linyuan	None	None	None	None	None
Assistant Manager of Financial Affairs Office	ROC	Wang, Qiu- Yue	female	August 1, 2021	316	0.00%	0	0.00%	0	0.00%	Vocational High School Chia Ta Finance Supervisor	None	None	None	None	None
Assistant Manager of Business Office	ROC	Tseng, Ke- Cheng	male	August 1, 2021	0	0.00%	0	0.00%	0	0.00%	Master Chia Ta Business Officer	None	None	None	None	None

Note 1: The information should include general managers and other major shareholders of corporation shareholders. Any position equivalent to general manager, vice general manager, or senior manager, regardless of job title, should be disclosed.

Note 2: Relevant work experience should be provided, including positions held at auditing and signing accountant firms or related companies during the mentioned period. The job title and responsibilities held should be stated.

Note 3: If the general manager or equivalent position (the highest executive) is the same person as the Chairman, spouses, or is the relative within one degree of kinship, the reasons, reasonableness, necessity, and corresponding measures should be disclosed (e.g., increasing the number of independent director seats and ensuring that more than half of the directors are not employees or executives).

2.2 Remuneration of Directors, Supervisors, President and Vice Presidents: The Company has no related companies or subsidiaries

(1) Remuneration of directors and independent directors

Unit: thousand dollars

Title	Name	Remuneration								Amount and Ratio of Total A, B, C and D to Net Income (Note 10)		Remuneration to a Director Who is an Employee of the Company or of the Consolidated Entities								Amount and Ratio of Total A, B, C, D, E, F and G to Net Income (Note 10)		Compensation to Directors from Non-consolidated Affiliates or Parent Company (Note 11)
		Base Remuneration (A) (Note 2)		Severance Pay and Pensions (B)		Remuneration to Directors (C) (Note 3)		Allowances (D) (Note 4)				Base Remuneration, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Profit Sharing (G) (Note 6)						
		From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World	From All Consolidated Entities (Note 7)	From Chia Ta World		From All Consolidated Entities (Note 7)		From Chia Ta World	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	Wu, Ta-He	0	0	0	0	188	188	686	686	5.56	5.56	2,894	2,894	0	0	11	0	11	0	24.04	24.04	0
Vice Chairman	Hao Fu Investment Representative : Chuang, Hui-Chen	0	0	0	0	188	188	799	799	6.28	6.28	2,889	2,889	0	0	9	0	9	0	24.71	24.71	0
Director	Tseng, Wen-Chun	0	0	0	0	188	188	897	897	6.91	6.91	-	-	0	0	0	0	0	0	6.91	6.91	0
Director	Li, Shih-Min	0	0	0	0	31	31	60	60	0.58	0.58	1,074	1,074	0	0	10	0	10	0	7.48	7.48	0
Independent Director	Yang, Pi-Tsun	0	0	0	0	0	0	35	35	0.22	0.22	0	0	0	0	0	0	0	0	0.22	0.22	0
Independent Director	Huang, Min-Shan	0	0	0	0	31	31	120	120	0.96	0.96	0	0	0	0	0	0	0	0	0.96	0.96	0
Independent Director	Hu, Chin-Lien	0	0	0	0	0	0	40	40	0.25	0.25	0	0	0	0	0	0	0	0	0.25	0.25	0
Independent Director	Wang, Chun-Teng	0	0	0	0	0	0	5	5	0.03	0.03	0	0	0	0	0	0	0	0	0.03	0.03	0

1. The Company's directors and independent directors do not receive additional remuneration beyond a monthly travel and accommodation allowance of NT\$5,000 and annual director and supervisor remuneration.
2. In addition to the information disclosed in the table above, in the most recent year, company directors provided services (such as serving as non-employee consultants) to all companies in the financial report, earning remuneration: Independent directors Yang, Pi-Tsun and Huang, Min-Shan also serve on the Company's Remuneration Committee, receiving remuneration of NT\$60,000 each annually.
3. The term of office of independent director Yang, Pi-Tsun expired on June 20, 2024 and was not renewed. The re-elected independent director Hu, Chin-Lien and newly appointed independent director Wang, Chun-Teng were terminated on July 16, 2024 due to disqualifications.

(2) Directors' remuneration range table

Ranges of remuneration paid to the Company's directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company(Note 8)	All companies included in the financial statements(Note 9) H	The Company(Note 8)	All companies included in the financial statements(Note 9) I
Under NT\$ 1,000,000	Wu, Ta-He, Chuang, Hui-Chen, Tseng, Wen-Chun, Li, Shih-Min, Yang, Pi-Tsun, Hu, Chin-Lien, Huang, Ming-Shan, Wang, Chun-Teng	Wu, Ta-He, Chuang, Hui-Chen, Tseng, Wen-Chun, Li, Shih-Min, Yang, Pi-Tsun, Hu, Chin-Lien, Huang, Ming-Shan, Wang, Chun-Teng	Tseng, Wen-Chun, Yang, Pi-Tsun, Hu, Chin-Lien, Huang, Ming-Shan, Wang, Chun-Teng	Tseng, Wen-Chun, Yang, Pi-Tsun, Hu, Chin-Lien, Huang, Ming-Shan, Wang, Chun-Teng
NT\$1,000,000 ~ NT\$1,999,999	None	None	Li, Shih-Min	Li, Shih-Min
NT\$2,000,000 ~ NT\$3,499,999	None	None	None	None
NT\$3,500,000 ~ NT\$4,999,999	None	None	Wu, Ta-He, Chuang, Hui-Chen	Wu, Ta-He, Chuang, Hui-Chen
NT\$5,000,000 ~ NT\$9,999,999	None	None	None	None
NT\$10,000,000 ~ NT\$14,999,999	None	None	None	None
NT\$15,000,000 ~ NT\$29,999,999	None	None	None	None
NT\$30,000,000 ~ NT\$49,999,999	None	None	None	None
NT\$50,000,000 ~ NT\$99,999,999	None	None	None	None
Over NT\$100,000,000	None	None	None	None
Total	8	8	8	8

Note 1: Directors' names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between independent and non-independent directors, while the amounts of benefits are presented in aggregate sums. For directors who are also presidents or executive vice presidents at the Company or the subsidiaries, both this table and tables 3-1 or 3-2 should be completed.

Note 2: Refers to the remuneration of directors during the most recent fiscal year (including director's salary, allowances, severance pay, various bonuses, incentives, etc.)

Note 3: Refers to the amount of director's remuneration allocated by the board of directors during the most recent fiscal year.

Note 4: Payments to the directors to cover business expenses (including travel expenditures, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration.

Note 5: Payments to the director, who is also a president, executive vice president, manager, or employee, to cover business expenses (including travel expenditures, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received. Salary expenses recognized in accordance with IFRS 2 "Share-based Payment" include acquisition of employee stock warrants, new restricted employee shares, and participation in capital increases by cash subscription, which shall all be calculated as remuneration.

Note 6: A person receiving employee remuneration (stock and cash bonus) to the director, (including concurrently serving as a president, executive vice president, other manager, or employee) shall disclose the rewarding amount proposed and resolved by the Board (If cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year). Table 1-3 shall be filled in.

Note 7: Total remuneration paid by the Group companies (including the Company) in the consolidated report to the director shall be disclosed.

Note 8: Disclose remuneration paid by the Company to the director under the suitable range. Name of the receiver must be shown under the suitable range.

Note 9: Disclose remuneration paid by the Group companies (including the Company) in the consolidated report to the director under the suitable range. Name of the receiver must be shown under the suitable range.

Note 10: "Net income" refers to the after-tax net income of the most recent fiscal year. For those which have adopted IFRS, "net income" refers to the after-tax net income of the individual or separate financial statements for the most recent fiscal year.

Note 11: a. This field represents all forms of remuneration that the director received from the invested businesses other than subsidiaries.

b. For directors who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column I of the remuneration ranges table. In which case, column I will be renamed "all invested businesses".

c. Remuneration refers to any return, compensation (including compensations received as an employee, director and supervisor) and professional service fee that the Company's director received for serving as director, supervisor, or manager in invested businesses other than subsidiaries.

* The content of remuneration disclosed in this table differs from the concept of income under the Income Tax Act Therefore, the purpose of this table is for informational disclosure and not for taxation purposes.

(3) Remuneration of the President and Vice Presidents

Unit: NT\$ thousand

Title	Name	Base Remuneration(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Remuneration(D) (Note 4)				Total compensation (A+B+C+D)and the ratio of it to net income(Note 8)		Remuneration Paid to the President and Vice Presidents from an Invested Company other than the Company's Subsidiary or from Parent Company(Note 9)
		The Company	Companies in the financial statement (Note 5)	The Company	Companies in the financial statement (Note 5)	The Company	Companies in the financial statement (Note 5)	The Company		Companies in the financial statement (Note 5)		The Company	Companies in the financial statement (Note 5)	
								Cash	Stock	Cash	Stock			
President	Chen, Zheng-Ping	1,757	1,757	0	0	0	0	11	0	0	0	11.25	11.25	0

* Regardless of job title, any positions equivalent to president or vice president (e.g., president, CEO, and general director) should be disclosed.

(4) The President and Vice Presidents remuneration range table

Range of Remuneration	Names of President and Vice Presidents	
	The Company (Note 6)	Parent company and all invested companies E (Note 7)
Under NT\$ 1,000,000	None	None
NT\$1,000,000 ~ NT\$1,999,999	Chen, Zheng-Ping	Chen, Zheng-Ping
NT\$2,000,000 ~ NT\$3,499,999	None	None
NT\$3,500,000 ~ NT\$4,999,999	None	None
NT\$5,000,000 ~ NT\$9,999,999	None	None
NT\$10,000,000 ~ NT\$14,999,999	None	None
NT\$15,000,000 ~ NT\$29,999,999	None	None
NT\$30,000,000 ~ NT\$49,999,999	None	None
NT\$50,000,000 ~ NT\$99,999,999	None	None
Over NT\$100,000,000	None	None
Total	1	1

Note 1: Names of the presidents and vice presidents must be shown separately. Any directors who co-headed the president or vice president positions are disclosed in this table and in Table (1-1) or (1-2).

Note 2: This includes salary, compensation for professional services, severance pay, and all bonus and bounties paid to the director during the year.

Note 3: Payments to presidents or executive vice presidents to reward or cover business expenses (including travel expenditures, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received. Salary expenses recognized in accordance with IFRS 2 "Sharebased Payment" include acquisition of employee stock warrants, new restricted employee shares, and participation in capital increases by cash subscription, which shall all be calculated as remuneration.

Note 4: Employee remuneration amount (stock and cash; if cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year) to the president or vice president. The rewarding amount is proposed and resolved by the Board of the fiscal years. Table 1-3 shall be filled in.

Note 5: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the president or vice president shall be disclosed.

Note 6: Aggregated amount of individual compensation paid by the Company to the president or vice president. Names of the receivers must be shown under the suitable range.

Note 7: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the president or vice president. Names of the receivers must be shown under the suitable range.

Note 8: Net income refers to the after-tax net income of the most recent fiscal year. For those which have adopted IFRS, net income refers to the after-tax net income of the individual or separate financial statements for the most recent fiscal year.

Note 9:

- This field represents all forms of remuneration that the president and vice presidents received from the invested businesses other than subsidiaries.
- For president and vice presidents who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column E of the remuneration brackets table. In which case, column E will be renamed "all invested businesses".
- Remuneration refers to any return, remuneration (including remunerations received as an employee, director and supervisor) and professional service fee that the Company's president and vice presidents received for serving as director, supervisor, or manager in invested businesses other than subsidiaries.

* The remuneration disclosed in this table differs from the income concept defined by the Income Tax Act, and is intended solely for informational disclosure, not for taxation.

(5) Individual disclosure of the top 5 highest paid managers

Unit: NT\$ thousand

Title	Name	Base Remuneration(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Remuneration(D) (Note 4)				Total compensation (A+B+C+D)and the ratio of it to net income(Note 6)		Remuneration Paid to the managers from an Invested Company other than the Company's Subsidiary or from Parent Company(Note 7)
		The company	Companies in the financial statement (Note 5)	The company	Companies in the financial statement (Note 5)	The company	Companies in the financial statement (Note 5)	The company		Companies in the financial statement (Note 5)		The company	Companies in the financial statement (Note 5)	
								Cash	Stock	Cash	Stock			
Chairman	Wu, Ta-He	2,894	2,894	0	0	0	0	11	0	11	0	18.48	18.48	0
Vice Chairman	Chuang, Hui-Chen	2,889	2,889	0	0	0	0	0	0	9	0	18.43	18.43	0
President	Chen, Zheng-Ping	1,757	1,757	0	0	0	0	11	0	11	0	11.25	11.25	0
Senior Manager	Li, Shih-Min	1,074	1,074	0	0	0	0	10	0	10	0	6.90	6.90	0
Senior Manager	Huang, Jin-De	1,000	1,000	0	0	0	0	0	0	11	0	6.43	6.43	0

Note 1: The term "top five highest-paid executives" refers to company executives. The criteria for identifying these executives should follow the guidelines set forth in the letter issued by the Ministry of Finance and the Securities and Futures Bureau on March 27, 2003, with reference number "Tai Cai Zheng San Zi No. 0920001301." As for the calculation principle for determining the "top five highest-paid" individuals, it should be based on the total amount of salaries, retirement benefits, bonuses, and special allowances received by the company executives from all consolidated financial statements (i.e., A+B+C+D), with the individuals ranked based on this total amount. If directors also hold executive positions, they should be included in both this form and the table (1-1) above.

Note 2: Report the salaries, job allowances, and severance payments of the top five highest-paid executives for the most recent fiscal year.

Note 3: Report the various bonuses, incentives, transportation expenses, special allowances, subsidies, housing, car, and other benefits provided to the top five highest-paid executives for the most recent fiscal year. If assets such as real estates, cars, and other means of transportation are provided, disclose the nature and cost of the assets, the actual or fair market value-based rental expenses, fuel costs, and other payments. If the executives are provided with drivers, provide a note explaining the related compensation paid by the company to the drivers, but do not include it in the remuneration. Additionally, the salary expense recognized under IFRS 2 for share-based payments, including employee stock options, restricted stock, and participation in cash capital increases, should also be included in the remuneration.

Note 4: Employee remuneration amount (stock and cash; if cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year) to the top five highest-paid executives. The rewarding amount is proposed and resolved by the Board of the fiscal years. Table 1-3 shall be filled in.

Note 5: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the top five highest-paid executives shall be disclosed.

Note 6: Net income refers to the after-tax net income of the individual or separate financial statements for the most recent fiscal year.

Note 7:

a. This section should clearly list the amount received by the Company's top five highest-paid executives from investments outside of subsidiaries or the parent company. If there are none, please indicate "None".

b. Remuneration refers to the remuneration received by the Company's top five highest-paid executives from investments outside of subsidiaries or the parent company, including fees, compensation (such as employee, director, and supervisor compensation), and business execution expenses.

* The remuneration disclosed in this table differs from the income concept defined by the Income Tax Act, and is intended solely for informational disclosure, not for taxation.

(6) Names of managers entitled to employee Remuneration

Unit: NT\$ thousand

Title (Note 1)	Name (Note 1)	Employee Remuneration - in Stock (Fair Market Value)	Employee Remuneration - in Cash	Total	Ratio of Total Amount to Net Income (%)
Management Team	President	Chen, Zheng-Ping	0	11	0.071
	Senior Manager	Huang, Jin-De	0	11	0.071
	Factory Chief	Chen, Qing-Hong	0	10	0.067
	Factory Chief	Wang, Diao-Gui	0	10	0.067
	Factory Chief	Li, Jian-Yuan	0	9	0.058
	Assistant Manager	Wang, Qiu-Yue	0	10	0.067
	Assistant Manager	Tseng, Ke-Cheng	0	10	0.062

Note 1: Individual names and titles shall be disclosed, whereas profit distributions may be disclosed in aggregate amount.

Note 2: This represents the amount of employee compensation (including stock and cash) approved by the board of directors for the most recent year. In case of unpredictable distribution, the proposed distribution for this year is calculated in proportion to the actual distribution last year. The net income after tax refers to the net income after tax of the most recent year; the net income after tax refers to the net income after tax of individual or separate financial reports of the most recent year where the IFRSs have been adopted.

Note 3: Managers subject to the rewarding (according to per March 27, 2003 Letter No. Securities and Futures Bureaus-III0920001301 of the Financial Supervisory Commission, Executive Yuan of the Taiwan Stock Exchange Corporation) are:

- (1) General Manager and persons in equivalent level
- (2) Deputy General Manager and persons in equivalent level
- (3) Assistant Manager and persons in equivalent level
- (4) Chief of finance department
- (5) Chief of accounting department
- (6) Any other personnel who are entitled to manage and sign for the Company

Note 4: If directors, president and vice president receive employee compensation (including stock and cash), a statement should be made in addition to table 1-2 and this table.

(9) Top Ten Employees Receiving Remuneration and Distribution Details

Unit: NT\$ thousand

Title (Note 1)	Name (Note 1)	Employee Remuneration - in Stock (Fair Market Value)	Employee Remuneration - in Cash	Total	Ratio of Total Amount to Net Income (%)
Top Ten Employees Receiving Dividends	Chairman	Wu, Ta-He	0	11	0.071
	President	Chen, Zheng-Ping	0	11	0.071
	Senior Manager	Huang, Jin-De	0	11	0.071
	Senior Manager	Li, Shih-Min	0	10	0.067
	Factory Chief	Chen, Qing-Hong	0	10	0.067
	Factory Chief	Wang, Diao-Gui	0	10	0.067
	Assistant Manager	Wang, Qiu-Yue	0	10	0.067
	Assistant Manager	Tseng, Ke-Cheng	0	10	0.062
	Officer	Chang, Zheng-Xi	0	10	0.062
	Officer	Chiu, Zhi-Fang	0	10	0.062

2.2.4 Analysis of the ratio of the total amount of remuneration paid to the Company's directors, supervisors, president, and vice president in relation to the net income after tax for the past two years for all companies included in the financial statements, and explanation of the policy, standards and composition, procedures, and association with business performance and future risks of remuneration payment:

1. In 2023, the remuneration of the directors, supervisors, president, and vice president represented 412.57% of the net profits after tax. In 2024, their remuneration constituted 116.76% of the net losses after tax.
2. The remuneration of directors and supervisors for profit distribution is in accordance with the Company's articles of incorporation (Article 30).
3. The remuneration of the chairman, directors, and supervisors is determined by the board of directors in accordance with their level of involvement and contribution to the Company, taking into account industry standards (Article 25-1 of the articles of incorporation).
4. The remuneration of the president and vice president is paid according to the salary standards approved by the board of directors.
5. Future risk disclosure: None.

2.3 Implementation of Corporate Governance

2.3.1 Board meeting attendance

Title	Name (Note 1)	Attendance in Person 【 B 】	Attendance by proxy	Rate of attendance in person (%) 【 B / A 】 (Note 2)	Note
Chairman	Wu, Ta-He	5	0	100.00%	re-elected
Deputy Chairman	Hao Fu Investment Representative: Chuang, Hui-Chen	0	5	0.00%	re-elected
Director	Tseng, Wen-Chun	5	0	100.00%	re-elected
Director	Li, Shih-Min	5	0	100.00%	re-elected
Independent Director	Yang, Pi-Tsun	2	0	100.00%	Dismissed on June 20, 2024
Independent Director	Huang, Ming-Shan	5	0	100.00%	re-elected
Independent Director	Hu, Chin-Lien	3	0	100.00%	Re-elected on June 20, 2024 Dismissed on July 16, 2024
Independent Director	Wang, Chun-Teng	0	0	0.00%	Newly appointed on June 20, 2024 Dismissed on July 16, 2024

1. Other noteworthy items:

- a. If any of the following circumstances occur, the dates of the board meetings, sessions, contents of motions, opinions of all independent directors and the Company's response to the board meeting's opinion should be stated.
 - (1) The matter listed in Article 14-3 of the Securities and Exchange Act: In the discussions and resolutions proposed to the board of directors in 2024, there were no matters listed under Article 14-3 of the Securities and Exchange Act.
 - (2) Apart from the aforementioned item, other board meeting resolutions where independent directors have expressed dissenting or reserved opinions and have records or written statements: None.
- b. Recusals of directors due to conflicts of interests, the names of directors, contents of motion, reasons for the recusals of conflicts of interests, and the participation in the vote shall be stated:
In 2024, there were no board meetings held that involved discussions on matters where directors had conflicts of interest that could potentially harm the company's interests.
- c. A TWSE/TPEx listed company should disclose information such as the evaluation cycle and period, evaluation scope, methodology, and content of the board's self (or peer) evaluation, and complete Table 2 for the implementation of the board's evaluation: In compliance with the regulations of the Taiwan Stock Exchange Corporation and the Taiwan OTC Exchange, the company will conduct an annual board evaluation. The information regarding the 2024 board evaluation will be disclosed in the annual report for 2025.
- d. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements: In 2024, the Company elected three independent directors during the board election. The board of directors appointed these three independent directors to serve as members of the Audit Committee and the Remuneration Committee. This appointment aims to enhance the Company's supervisory function and improve information transparency. The committees will timely present their decisions and recommendations to the board of directors for discussion. If any decisions meet the criteria of significant information, they will be announced in accordance with the regulations.

Note 1: Directors and supervisors who are legal entities should disclose the names of the shareholders of the legal entity and their representatives.

Note 2:

- (1) If there are directors or supervisors who have left their positions before the end of the fiscal year, the date of departure should be indicated in the Note column. The actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and their actual attendance.
- (2) If there are directors or supervisors who have been newly elected before the end of the fiscal year, both the new and former directors or supervisors should be listed, and it should be noted in the remarks column whether they are former, new, reelected, or the date of the election. The actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and their actual attendance.

2. Implementation Status of Board Performance Evaluation

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Methodology (Note 4)	Evaluation Content (Note 5)
Annual	From January 1, 2024 to December 31, 2024	<ul style="list-style-type: none"> The Board of Directors as a whole The Individual Directors The Audit Committee The Remuneration Committee 	<ul style="list-style-type: none"> Internal assessment of the Board Self-assessments by each board member 	<p>1. Board of Directors Performance Evaluation: Focuses on participation in company operations, decision-making quality, board composition, director selection, ongoing education, and the effectiveness of internal controls.</p> <p>2. Individual Director Performance Evaluation: This includes assessing each director's grasp of the Company's objectives and tasks, their awareness of their responsibilities, their degree of involvement in company operations, their skills in managing and communicating within internal relationships, their professional development, and the robustness of internal controls.</p> <p>3. Audit and Compensation Committees Performance Evaluation: Evaluates the extent of involvement in company operations, comprehension of the roles and responsibilities of functional committees, the quality of decisions made by these committees, their composition and the appointment of their members, and internal controls.</p>

Note 1: Represents the frequency of board performance evaluation.

Note 2: Represents the duration covered by performance evaluation.

Note 3: The scope of assessment covers performance of the board as a whole, the individual directors and functional committees.

Note 4: Assessment methods include: board internal self-assessment, director self-assessment, peer assessment, assessment by external institution or expert, and other methods as deemed appropriate.

Note 5: Assessment details, by scope of assessment, include at least the following:

(1) Board performance assessment: board's participation in the Company's operations, the quality of board's decisions, the board's composition, election and ongoing education of board members, and enforcement of internal control

(2) Director individual performance assessment: director's awareness toward the Company's goals and missions, awareness to duties, level of participation in the Company's operations, maintenance of internal relations and communication, professionalism and ongoing education, and enforcement of internal control.

(3) Performance assessment for functional committees: participation in the Company's operations, awareness to duties, quality of committee's decisions, composition and member selection, and enforcement of internal control.

The Board of Directors Evaluation Results

Evaluation Item	Result	Note
A. Participation in Company Operations		
01. Average actual attendance of directors at board meetings (excluding delegated attendance): Good (e.g., those with an attendance rate of 80% are rated as 3, moderate)	12345	In 2024, there were 5 board meetings with attendance rates of 0.00% 2 people, and 100% 5 people, resulting in a total attendance rate of 80.65%.
02. Directors' attendance at shareholders' meetings : Good (e.g., those with an attendance rate of at least 50% are rated as 3, moderate)	12345	In 2024, 6 directors attended the shareholders' meeting (including two independent directors), resulting in an attendance rate of 85.71%.
03. Directors have read and understood the meeting materials before board meetings	12345	Meeting details are distributed simultaneously via Line app and email three days prior to the meeting.
04. Interaction status between the board of directors and the management team	12345	The management team submits self-generated reports every month to keep the board members informed of the company's operations.
05. The board of directors effectively supervises the company's compliance with laws and regulations	12345	The board of directors ensures compliance with regulations, and there were no violations of laws in 2024.
06. All directors of the company make effective contributions during board meetings	12345	Directors provide professional opinions during board meetings when their expertise is required.
07. The board of directors continues to promote the establishment of governance-related policies, supports the company's participation in corporate assessments, and safeguards shareholder rights to enhance corporate governance.	12345	The company has established the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles and so on.
08. Board members have sufficient understanding of the company, the management team, and the industry to which the company belongs	12345	Except for independent directors, all board members or their family members are employed by the company, thus they have a thorough understanding of the industry and the management team.
09. Directors can effectively evaluate and supervise various risks faced by the company, and discuss the implementation and monitoring status of internal control systems	12345	The directors of the Company conduct effective evaluations and supervision of various risks faced by the company, and discuss the implementation and monitoring status of internal control systems.
10. Directors have sufficient communication and interaction with the CPAs (e.g., holding meetings for discussions when there are significant adjustments to accounting bulletins or major changes in financial statements. At least two board meetings are held each year inviting the accountants to attend, focusing on discussions regarding annual and semi-annual reports to fully understand the company's financial status)	12345	In 2024, there were no significant adjustments to accounting bulletins, so there were only full communication and interaction with the CPAs regarding the annual report.
11. The board of directors regularly and thoroughly reviews the management performance of the management team and provides timely rewards and penalties	12345	During board meetings, the company reviews the operational management performance and provides rewards and penalties accordingly.
12. The board of directors can fully and promptly obtain performance reports on corporate operations and quickly grasp any adverse trends	12345	The company provides relevant self-generated reports to board members every month, and the performance reports on corporate operations are discussed to ensure that the directors quickly grasp various trends.
B. Enhancing the Quality of Board Decisions		
13. The board of directors has established the company's core values (discipline, mission, honor, vision, etc.), and can clearly set all strategic goals of the company.	12345	Each year, the management team proposes an operational plan and sets operational goals for the company, which is presented to the board of directors for confirmation.
14. The company engages in appropriate discussions and sets strategic plans and annual budget processes.	12345	Each department is required to establish an annual budget and strategic plan.
15. The frequency of board meetings: Appropriate. (e.g., those holding at least six meetings per year are rated as 3, moderate)	12345	In 2024, a total of 4 board meetings were held.

Evaluation Item	Result	Note
16. The Company provides complete, timely, and quality information to the board of directors, enabling the board (including independent directors) to fulfill its responsibilities.	12345	The Company provides relevant information to the board and supervisory members prior to board meetings in accordance with the statutory format.
17. The minutes of the board meetings appropriately record the discussion content, as well as individual or collective reservations or concerns.	12345	The minutes of the board meetings comprehensively document the discussion content, as well as individual or collective reservations or concerns.
18. The agenda arranged by the board of directors allocates appropriate discussion time for each agenda item to ensure sufficient time for board members to discuss.	12345	The agenda set by the board of directors allocates adequate discussion time for each agenda item to allow board members sufficient time for discussion.
19. The motion of discussion presented to the board for resolution are appropriate.	12345	All proposals submitted to the board are in compliance with legal requirements.
20. The items required by law to be discussed by the board of directors have been attended by all independent directors.	12345	The attendance rate of independent directors in the company is 90.91%, and except for important reasons, they have been present for almost all agenda items.
21. The board of directors provides effective communication channels and interacts appropriately with independent directors.	12345	Financial statements and internal audit reports are reported quarterly at board meetings, and relevant executives attend the meetings. The attendance rate of independent directors is 90.91%. In case of any questions, communication can also be conducted through telephone or email after the meeting.
22. The decisions made in board meetings are appropriately followed up.	12345	The implementation status of the previous meeting is included in the report for each board meeting.
23. If there are any conflicts of interest that require directors to recuse themselves, the directors have voluntarily recused themselves or the chairman has duly requested their recusal, and it has been recorded in the minutes of the meeting.	12345	There were no conflicts of interest requiring directors to recuse themselves in 2024.
24. The board of directors, board members, and functional committees undergo regular and efficient performance evaluations.	12345	Starting from 2020, the Company has been conducting regular performance evaluations of the board of directors, board members, and functional committees, and will submit the evaluation report to the board of directors for review by the end of March of the following year. This report will be submitted on March 6, 2025.
C. Composition and Structure of the Board of Directors		
25. The board of directors has established a sufficient number of independent director positions, in compliance with relevant regulations.	<u>12345</u>	In 2024, two independent directors are dismissed due to disqualification, and will be re-elected on June 20, 2025, which complies with relevant legal requirements.
26. The independent directors of the Company possess the necessary professional knowledge and maintain their independence during their tenure.	12345	The current independent directors of the Company possess the necessary professional knowledge and have maintained their independence during their tenure (in accordance with legal requirements).
27. The board of directors has established appropriate and sufficient functional committee.	12345	The Company currently has an audit committee and a remuneration committee, both of which are comprised of 3 independent directors.
28. The existing functional committees have the ability to fulfill the responsibilities assigned by the board of directors.	12345	The members of the functional committee are all independent directors of the Company and have the ability to fulfill the responsibilities assigned by the board of directors. The Company has always respected professionalism.
29. The Company has formulated and implemented a policy for board member diversification based on the Company's development needs.	12345	The Company's board appointment procedure includes a policy that promotes board member diversification, and currently there are 2 female directors.

Evaluation Item	Result	Note
30. There are no more than two directors in the Company who are spouses or within the second degree of kinship, ensuring the objective independence of the board members.	12345	In the current term, there are no instances of familial relationships among the Company's directors as mentioned in this item.
31. The composition of the board members is appropriate and they possess the necessary expertise for the decision-making process.	12345	In the current term, all board members possess the required expertise for the decision-making process.
Directors' appointment and continuing education		
32. The Company has established a rigorous and transparent procedure for the appointment of directors and a succession plan.	12345	The Company has established a rigorous and transparent procedure for the appointment of directors in accordance with legal requirements and follows the prescribed process.
33. The selection process for board members is based on the Company's policy for board member diversity.	12345	The selection process for board members is based on the Company's policy for board member diversity, which serves as the benchmark.
34. The selection process for board members takes individual performance evaluations into account.	12345	The selection process for board members considers not only the diversity policy but also individual performance evaluations.
35. The selection process for board members considers the Company's actual needs and fully considers the skills, knowledge, and experience of the board members. For independent directors who have served three consecutive terms, their independence is evaluated.	12345	The selection process for board members considers the company's actual needs and takes into account the skills, knowledge, and experience of the board members. For independent directors who have served three consecutive terms, their independence is also evaluated.
36. The board provides appropriate onboarding instructions to newly appointed directors to help them understand their responsibilities and familiarize themselves with the company's operations and environment.	12345	The Company provides relevant documents and ensures that relevant departments provide briefings to newly appointed directors to help them understand their responsibilities and become familiar with the company's operations and environment.
37. Directors receive training in diverse courses beyond their professional expertise and participate in appropriate training hours each year.	12345	The Company covers the expenses for directors to participate in diverse courses beyond their professional expertise.
38. The Company maintains records of formal director training hours and implements a continuous professional development plan to enhance directors' knowledge and skills.	12345	If directors have a need to enhance their knowledge and skills, the Company will fully cooperate, and the training hours are recorded by the relevant departments.
D. Internal Control		
39. The board of directors effectively incorporates risk assessment and control by management into the Company's decision-making process.	12345	Significant decisions are reported to the board of directors as required, and the reports from management include risk assessment and control.
40. The board of directors can effectively assess and supervise the effectiveness of internal control systems and risk management.	12345	During regular quarterly board meetings, the audit department includes audit reports on the agenda. The board of directors effectively assesses and supervises the effectiveness of internal control systems and risk management through these meetings.
41. The internal control systems approved by the board of directors include the five fundamental elements/principles and cover all operational activities and transaction cycles.	12345	On November 7, 2024, the board of directors approved the internal control system for the fiscal year 2025, which includes the five fundamental elements and controls for all operational activities and transaction cycles.
42. The Company's officer of internal audit/auditor attends board meetings and presents internal audit reports. Audit reports (including follow-up reports) are delivered or notified to the supervisors (or audit committee) and independent directors as required.	12345	During regular quarterly board meetings, the audit department includes audit reports on the agenda, and the officer of internal audit also attends the board meetings. After the meetings, a meeting record is sent via email to all participants.
43. The appointment, evaluation, and compensation of internal auditors should be reported to the board of directors or	12345	The appointment, evaluation, and compensation of internal auditors in the

Evaluation Item		Result	Note
approved by the chairman upon the recommendation of the officer of internal audit.			Company are recommended by the officer of internal audit and approved by the chairman.
44. When the auditors provide non-audit services, appropriate arrangements are made to ensure the objectivity and independence of the auditors.		12345	In 2024, the Company did not receive any other non-audit services from the auditors.
45. Directors on the board have a clear understanding and oversight of the company's accounting system, financial condition, financial reports, audit reports, and their follow-up.		12345	During regular quarterly board meetings, the board of directors receives reports on the financial condition and financial reports, as well as audit reports, as required. This enables the directors to have a clear understanding and oversight of the situation.
E. Other Items (Please evaluate and determine)			
Additional Explanation (For example, suggestions for improving the operation of the board of directors)	No additional explanation		
Overall Comment	<p>The total score is approximately 4.84.</p> <p>In 2024, the average attendance rate of the board of directors was 80.65%, and the attendance rate at shareholders' meetings was 85.71%. Except for independent directors, other directors are currently employed or retired employees of the company, which gives them a good understanding of the industry in which the company operates. This contributes to the board of directors' evaluation, supervision, and tracking of the company's operations. There is good interaction between the company's management team and the members of the board of directors, and the board members provide suggestions to the company in their respective areas of expertise.</p>		

Functional Committee Evaluation Results

<u>Evaluation Item</u>	<u>Results</u>	<u>Note</u>
A. Involvement in the Company's operations		
1. Average actual attendance of members at Functional Committees (excluding proxies) is good. (e.g. 80% attendance is considered as 3 intermediate)	12345	The 2024 Audit Committee and Remuneration Committee both participated in meetings with 100% attendance.
2. Members had read and understood the meeting documents before the meeting	12345	The information was also provided before the meeting and members had read it beforehand.
3. All members have made effective contributions to the Functional Committees	12345	The committees provide input to the Company during the meetings.
4. Functional committees have regular meetings	12345	Meetings are convened according to the schedule, if not more.
B. Functional Committee Recognition of Duties		
5. The terms of reference of the Functional Committee are clear and appropriate.	12345	The agenda of the Functional Committee should be appropriate according to its terms of reference.
6. The Functional Committee is able to evaluate and supervise the company's existing and potential risks.	12345	The Committee is responsible for evaluating and monitoring the Company's risks and potential risks.
7. The Functional Committee is able to make timely, professional and objective recommendations for discussion by the Board of Directors for its decision-making reference.	12345	Each member has the right to make professional and objective proposals for discussion by the Board of Directors.
8. The Audit Committee has had adequate communication and exchange with the certified public accountants. (meetings are required to discuss the implementation of new accounting pronouncements or significant adjustments to the financial statements)	12345	The Audit and Accounting Department is always available by telephone and will attend board meetings if required.
9. The Audit Committee regularly evaluates the independence and suitability of the appointed accountants.	12345	The Company assesses the independence and suitability of the accountants at the last audit meeting of each year.
10. The Remuneration Committee has established and regularly reviews the policies, systems, standards and structures for the evaluation and remuneration of directors, supervisors and managers. (Directors, supervisors and managers should not make decisions on remuneration that are materially inconsistent with financial performance.)	12345	The Remuneration Committee regularly reviews the policies, systems, standards and structures for performance evaluation and remuneration of directors, supervisors and managers twice a year.
11. The Remuneration Committee regularly reviews the performance evaluation criteria for directors of the Company and submits them to the Board of Directors for approval, and determines the directors' compensation based on the results of the performance evaluation.	12345	The Remuneration Committee has regularly reviewed the performance evaluation criteria for the Company's directors and submitted them to the Board for approval.
12. The Nomination Committee has the responsibility to establish criteria for the diversity of backgrounds and independence in terms of expertise, skills, experience and gender required for Board members, supervisors and executive officers, and to identify, review and nominate candidates for directorships, supervisors and executive officers on the basis of such criteria.	02345	The Company does not have a Nomination Committee.
C. Enhancing the quality of decision-making in functional committees		
13. The information provided by the Company to the Functional Committee is complete, timely and of sufficient quality to enable the Functional Committee to fulfill its duties. Relevant managers, internal auditors, accountants, legal advisers or other personnel shall be invited to attend the meeting as necessary.	12345	The information provided by the Company to the Functional Committee is complete, timely, and of a certain quality, with relevant managers, internal auditors, accountants, and related personnel present when necessary.
14. Sufficient time for Functional Committee discussions	12345	The Functional Committee members have no time limit for discussion
15. Appropriate motions for discussion by the Company to be submitted to the Functional Committee for resolution.	12345	The agenda of the Functional Committee should be appropriate according to its terms of reference.
16. If there is a need for a member to disqualify himself/herself from a motion, the member has done so and the minutes of the meeting have been recorded. (A member of the Audit Committee or the Remuneration Committee who has an interest in a motion in which he or she has an interest shall state the important contents of his or her interest, and if there is a risk that the motion will be harmful to the Company's interests, he or she shall recuse himself or herself from discussing and voting on the motion and shall not exercise his or her voting rights on behalf of the other members of the Committee.)	12345	The Company does not have such a situation in 2024.

Evaluation Item	Results	Note
A. Involvement in the Company's operations		
17. Functional Committee minutes appropriately record the content of discussions, as well as individual or collective reservations or concerns, as appropriate.	12345	The Functional Committee minutes record all discussions, with no reservations or concerns in 2024.
18. Resolutions of the Functional Committees are followed up appropriately.	12345	The Functional Committee will report on the implementation of the resolution at the next meeting.
19. Functional Committees have regular and efficient performance evaluations.	12345	Once per year
D. Composition and Selection of Functional Committees		
20. Functional Committees are appropriately composed and have the necessary expertise for the decision-making process.	12345	All members have the required composition and expertise in the decision-making process.
21. Members of the Functional Committee ensure that their independence is maintained during their term of office.	12345	The members of the Functional Committee ensure that their independence is maintained during their tenure of office.
22. The selection of functional committee members is based on the actual needs of the Company, taking into account the skills, knowledge and experience of the members, and including the results of the evaluation of the performance of the functional committee.	12345	The Functional Committee members are selected based on the company's actual needs, skills, knowledge and experience.
23. The Nomination Committee has established and regularly reviews plans for the advancement of directors and succession planning for directors and senior managers.	02345	The Company does not have a Nomination Committee.
E. Internal controls		
24. The Audit Committee is able to effectively evaluate and oversee the effectiveness of the internal control systems and risk management.	12345	Corporate Audit and Monthly Audit Reports are circulated or sent and reported to the Audit Committee for implementation.
25. The internal control system adopted by the Audit Committee has five major elements/principles that cover all operating activities and transaction cycles of control operations.	12345	All in accordance with the rules
26. The Audit Committee understands and oversees the Company's accounting system, financial condition and financial reports, audit reports and their tracking.	12345	In July 2024, there was no Audit Committee due to insufficient Audit Committee members.
F. Other items (please make your own assessment)		
Other supplementary explanations (e.g. suggestions to improve the operation of functional committees, etc.)	No additional information	
General Comment	<p>The total score is about 4.54.</p> <p>In 2024, the Audit Committee could not be established due to the ineligibility of the Audit Committee members. The Audit Committee held two meetings with 100% attendance, and the Remuneration Committee held two meetings with 100% attendance. In addition to the notice of meeting, the Company sends the meeting information to each participant by e-mail three days prior to the meeting so that the members can continue to evaluate, supervise, and track the Company's operation. The management team of the Company interacts well with the members of the various committees, and each committee member will also provide assistance to the Company in their areas of expertise (if necessary).</p>	

Note 1: This form is intended as a guideline for the Company's reference. It is appropriate to adjust the content of the indicators according to the evaluation targets, and the evaluation of the performance of the functional committees should at least include the Audit Committee and the Remuneration Committee. In addition, the criteria for measuring the results of the evaluation of the various evaluation items in the questionnaire can be based on the relevant provisions of the Corporate Governance Assessment Indicators.

Note 2: In case the scores of the assessment results of the various indicators cannot be fully expressed, they can be stated in the Note column.

Note 3: The evaluation period is from January 1, 2024 to December 31, 2024.

Note 4: The evaluation period should be completed by the first quarter of the year following the year of assessment.

Note 5: The evaluation results are presented in five levels, and the Company may modify the design of the evaluation results depending on the circumstances. The principles of the evaluation levels are described below:

Number 1: Very poor (strongly disagree); Number 2: Poor (disagree); Number 3: Medium (average); Number 4: Excellent (agree);

Number 5: Excellent (strongly agree).

2.3.2 Implementation Status of Audit Committee and the Participation of Supervisors in the Operation of the Board

(1) Audit Committee Meeting Status

In the most recent year, the Audit Committee held 2 meetings (A). The independent director's attendance status is shown in the following table:

Title	Name (Note 1)	Attendance in Person 【 B 】	By Proxy	Rate of attendance in person (%) 【 B / A 】 (Note 2)	Notes
Independent Director	Yang, Pi-Tsun	2	0	100.00%	Dismissed on June 20, 2024
Independent Director	Huang, Ming-Shan	2	0	100.00%	Re-elected on June 20, 2024
Independent Director	Hu, Chin-Lien	2	0	100.00%	Re-elected on June 20, 2024 Dismissed on July 16, 2024
Independent Director	Wang, Chun-Teng	0	0	0.00%	Newly appointed on June 20, 2024 Dismissed on July 16, 2024

Annotations:

- For any of the following scenarios, details such as the date of the Audit Committee meeting, the session, the motion items, any dissenting or reserved opinions from independent directors, major suggestions, resolutions from the Audit Committee, and the Company's response to these opinions should be clearly stated:
 - Issues pursuant to Article 14-3 of the Securities and Exchange Act: In 2024, no matters requiring decision by the Audit Committee were related to Article 14-3 of the Securities and Exchange Act.
 - Other issues not approved by the Audit Committee yet passed by a two-thirds majority of the board: No such instances occurred in the 2024 board meetings.
- Recusals of Independent Directors due to Conflicts of Interests: It should detail the independent director's name, motion contents, reasons for refusal, and their participation in voting. In 2024, no motions necessitated the refusal of independent directors due to conflicts of interest.
- Descriptions of the communications between the Independent Directors, the internal auditors, and the independent auditors (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.): The internal auditors ensure timely delivery of audit documentation, which is then addressed in Audit Committee meetings. Additionally, discussions with accountants occur during their auditing activities.

(2) Important Resolutions of the Audit Committee:

Meeting Date	Important Resolutions
The 11th meeting of 1st session March 7, 2024	1. Approved the 2023 financial statements of the Company. 2. Approved the 2023 business report and the 2024 operational plan. 3. Approved the 2023 appropriation of losses. 4. Approved the assessment of effectiveness of the Company's 2023 internal control system and the internal control statement.
The 12th meeting of 1st session May 8, 2024	1. Approved the 2024 Q1 financial statements. 2. Approved the purchase of director and key officer liability insurance.

On June 20, 2024, the re-elected independent director CPA Hu, Chin-Lian and newly appointed independent director Wang Chun-Teng were terminated due to disqualification on July 16, 2024, there were less than 3 independent directors to set up the audit committee, therefore, the audit committee only met 2 times in 2024.

2.3.3 Corporate Governance Status and Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Items of Evaluation	Implementation Status (Note 1)			Deviations from“ the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summaries	
1.Deviations from“ the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons		V	The Company has not yet established the "Corporate Governance Best-Practice Principles," but it is covered by the existing internal control system and regulations.	Has not established yet
2.Shareholding Structure & Shareholders’ Rights (1) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedure been implemented accordingly? (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? (3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? (4) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	V V V V		The Company has a spokesperson, stock transfer agency (Yuanta Securities) and dedicated personnel responsible for handling shareholder suggestions, concerns, disputes, and litigation matters. The company has a designated person to maintain a list of major shareholders and their ultimate decision-makers. The Company has established operational management procedures for its subsidiaries in accordance with the law and has implemented them accordingly. However, the Company currently has no subsidiaries. The Company has established "Prevention of Insider Trading Management" and " Procedures for Handling Internal Significant Information" to prohibit internal personnel from trading securities using undisclosed information in the market.	No discrepancy
3. Composition and Responsibilities of the Board of Directors (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? (2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees? (3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the board, and uses it as a reference for individual directors’ remuneration and renomination? (4) Does the Company regularly evaluate its external auditors’ independence?	 V	V V V	The Company has not yet established a diversification policy for the composition of its Board of Directors. However, anyone who possesses the necessary knowledge, skills, and qualities required to perform their duties and who can benefit the Company's management can be a candidate, regardless of basic criteria, values, professional knowledge, and skill standards. The Company has not established any other functional committees yet. The Company has not established the “Rules for Performance Evaluation of Board of Directors” and the evaluation method. The auditors appointed by the Company are all independent and comply with the regulations of the TWSE, which require periodic rotation and joint signing by different auditors. (Note 2)	No diversification policy for the board of directors has been established yet. Under discussion Has not established a evaluation rules and methodology No discrepancy

4. Has a TWSE/TPEX listed company appointed an appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be in charge of corporate governance affairs (including, but not limited to, providing directors and supervisors with the information necessary to execute business, assisting directors and supervisors in complying with laws, handling matters related to board meetings and shareholders meetings in accordance with the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings)?	V		The finance department of our company is responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors for their duties, handling matters related to board of directors and shareholders meetings in accordance with laws and regulations, registering and updating company information, preparing minutes of board of directors and shareholders meetings, etc.).	No discrepancy
5. Whether the company has established channels of communication with Stakeholders (including but not limited to shareholders, employees, customers and suppliers), and open the Stakeholders section on the company's website, and respond appropriately to Stakeholders' interests/ concerns regarding corporate social responsibility.	V		The Company has a spokesperson and can communication with stakeholders through the Company's website, phone and fax.	No discrepancy
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The Company has entrusted all Shareholders' Meeting-related matters to Yuanta Securities Agency.	No discrepancy
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		The Company discloses relevant information about finance, business, and corporate governance on its website. http://www.ctworld.com.tw/	No discrepancy No discrepancy No discrepancy
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		The Company has dedicated personnel responsible for the collection of company information, and the spokesperson system is in place.	
(3) Does the Company announce and report the annual financial report within two months of the fiscal year end, and announce and report the financial reports for the first, second and third quarter and each month's operating performance ahead of the required deadline?	V		The Company's financial reports and monthly operations have been reported within the deadline.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		① The Company prioritizes the rights of customers, shareholders, and employees, employing both systematic and humane management practices. Employees participate in profit sharing during profitable periods, enhancing their commitment and fostering harmonious labor relations. In dealings with banks, suppliers, and customers, the principle of mutual benefit and equality guides transactions, with the goal of achieving mutually beneficial outcomes. ② Supervisors participate in board meetings to gain insights into company operations and major decisions and to offer their valuable perspectives. ③ Directors abstain from voting on matters where there is a conflict of interest. ④ In 2023, the training for directors exceeded routine sessions, including 42 hours of external training.	No discrepancy No discrepancy No discrepancy No discrepancy
9. Please indicate the improvement of the results of the corporate governance evaluation issued by the Company's Center for Corporate Governance in the last year of the TWSE and provid priority measures and measures for those who have not yet improved.	V		The Company places significant importance on governance evaluation results and conducts reviews and improvements for those items that did not achieve the standards.	No discrepancy

Note 1: Whether the implementation status is checked as "Yes" or "No", it should be described in the summary field.

Note 2: The auditor's independence assessment form was evaluated on October 28, 2024, and was approved by the Board of Directors and the approval of director Huang, Ming-Shan on November 11, 2024.

Evaluation of the 2024 External Auditor's Independence and Suitability

1. Unit: Board of Directors
2. Evaluation Year: 2024
3. Evaluation Date: October 28, 2024
4. Appointed Audit Firm and Auditors:
Nan Tai CPAs & Co./ Tsai, Yu-Qin and Zhang, Tai Yuan
5. Evaluation Content: Referring to Article 47 of the Accountants Act and Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, "Integrity, Fairness, Objectivity, and Independence," the following evaluation items are assessed:

Evaluation Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
1. The auditor has no direct or significant indirect financial interests with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. The auditor has no significant close business relationship with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. The auditor does not have a potential employment relationship while auditing the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. The auditor has no financial borrowing or lending arrangements with the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. The auditor has not received significant gifts or favors of value from the Company, its directors, supervisors, or executives (exceeding general social etiquette standards).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. The auditor has not provided auditing services to the Company continuously for seven years.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. The auditor does not hold any shares of the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. The auditor him/herself, their spouse, dependents, or audit team members have not held positions as directors, supervisors, executives of the Company or had significant influence on audit matters during the audit period or within the past two years. It is also confirmed that they will not hold such positions in the future audit period.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. Whether the auditor meets the requirements of Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant regarding independence and has obtained the auditor's "Independence Declaration".	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

6. Evaluation Result:

For the financial statements of the Company for 2023, which were audited and certified by Tsai Yu-Qin and Zhang, Tai Yuan, CPAs from Nan Tai CPAs & Co. Upon assessment, it was determined that both auditors had no evaluation-related conflicts, ensuring their independence and suitability. The financial reports prepared by them were found to be correct and without error.

Evaluation Unit: Finance Department

Evaluation Date: October 28, 2024

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

(1) Compensation Committee

Criteria Name Identity	Professional Qualification and Experience(Note 1)	Independence Status(Note 2)				Remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliates in the past two years	Number of other public companies in which the individual is concurrently serving as an independent director
		Does natural person, spouse, or relatives within the second degree serve as directors, supervisors or employees of this company or its affiliates	Number and ratio of company shares held by natural person, spouse, and relatives within the second degree (or held by the person under others' name)	Does a natural person serve as a director, supervisor, or employee of a company with a specific relationship with the Company (as Item 1 stipulated in Clauses 5-8 of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)			
Independent Director	Yang, Pi-Tsun	1.Head of Detective A Team at National Police Agency 2.Executive Director of Bade Development 3.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies Term expired on June 20, 2024
Independent Director	Hu, Chin-Lien	1.Accountant of HLB Candor Taiwan CPAs 2.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Concurrently serving as an independent director in TienPin United Enterprise Co., Ltd. Re-elected on June 20, 2024 Dismissed on July 16, 2024
Independent Director	Wang, Chun-Teng	1. Chief Officer of YangtzeCPAs&Co. 2. Executive Director of 松茂金屬實業 3. Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Newly appointed on June 20, 2024 Dismissed on July 16, 2024
Independent Director	Huang, Ming-Shan	1.Senior Manager of ChipMOS Technologies 2.Concurrent Senior Manager of SOLARtech 3.Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies
Remuneration Committee Member	Lu,Chia-Chan	1. Manager of Mirle Automation Corporation and Delta Electronics Inc. 2. Product manager of Niching Industrial Corporation 3. Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies Newly appointed on August 8, 2024.
Remuneration Committee Member	Liao,Chien-Ming	1. Head of Foreign Business Department, Pou Chen Corporation 2. Assistant manager of President Co., Ltd. 3. Not been a person of any conditions defined in Article 30 of the Company Act.	No such circumstance	No such circumstance	No such circumstance	No such circumstance	Not concurrently serving as an independent director in other companies Newly appointed on August 8, 2024.

Note 1: Please specify in the table the relevant work experience, professional qualifications and experience, and independence status of each member of the Remuneration Committee. If they are independent directors, please note that the relevant information can be found in Appendix One, page OO, Director and Supervisor Information (1). Please indicate whether they are independent directors or other (if they are the convener, please indicate).

Note 2: **Professional Qualifications and Experience:** Describe the professional qualifications and experience of each remuneration committee member.

Note 3: **Independence Status:** Describe the remuneration committee members' independence status, including but not limited to whether the individual, their spouse, and relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliated enterprises; the number and proportion of company shares held by the individual, their spouse, and relatives within the second degree of kinship (or held in the name of others); whether they serve as directors, supervisors or employees of companies with specific relationships with the company (refer to Article 6, Paragraph 1, Clauses 5~8 of the Measures for the Establishment and Exercise of Authority of the Remuneration Committee for companies listed or traded at securities firm); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the past 2 years.

(2) Attendance of Members at Remuneration Committee Meetings

- 1.The Remuneration Committee consists three members.
- 2.Term of Committee Member: June 20, 2024 to June 19, 2027. The committee convened 2 times (A) in 2023.
- 3.Qualifications and Attendance Status of Committee Members are as follows:

Title	Name	Attendance in Person 【B】	By Proxy	Rate of attendance in person (%) 【B/A】 (Note 2)	Notes
Convener	Yang, Pi-Tsun	1	0	100.00%	Term expired on June 20, 2024.
Committee	Hu, Chin-Lien	1	0	100.00%	Re-elected on June 20, 2024, Dismissed on July 26, 2024.
Committee	Wang, Chun-Teng	0	0	0.00%	Re-elected on June 20, 2024, Dismissed on July 26, 2024.
Convener	Huang, Ming-Shan	2	0	100.00%	Re-elected on June 20, 2024.
Committee	Lu, Chia-Chan	1	0	100.00%	Newly appointed on August 8, 2024.
Committee	Liao, Chien-Ming	1	0	100.00%	Newly appointed on August 8, 2024.

Annotations:

1. If the Board of Directors rejects or modifies the Remuneration Committee's recommendations, it shall be disclosed including the date of the board meeting, session, the content of motion, the resolution of the board meeting, and how the board handled the Remuneration Committee's opinions: In 2024, There were no such instances during the board meeting.
2. When there are dissenting or reserved opinions among Remuneration Committee members that are documented or stated in writing, details including the date of the committee meeting, session, content of the motion, all member opinions, and how these opinions were handled should be disclosed: In 2024, there were no dissenting or reserved opinions among the Remuneration Committee members.

Note 1: If there are committee members who have left their positions before the end of the fiscal year, please indicate the departure date in the note column. The actual attendance rate (%) should be calculated based on the number of Remuneration Committee meetings held during their tenure and their actual attendance.

Note 2: If there are changes in the Remuneration Committee members before the end of the fiscal year, both the resigned and newly-elected committee members should be listed, and the note column should indicate whether they are resigned, newly-elected, reelected, or the date of the change. The actual attendance rate (%) should be calculated based on the number of Compensation Committee meetings held during their tenure and their actual attendance.

(3) Important resolutions of the Remuneration Committee

Meeting date	Resolution
The 6 th Meeting of the 5th Term March 7, 2024	1. Approved the distribution of the 2023 joint guarantee allowance.
The 1 st Meeting of the 6th Term November 7, 2024	1. Approved the appointment of the Convener and the Chairman of the Remuneration Committee. 2. Approved the distribution of the 2024 annual performance bonuses. 3. Approved the provision and distribution for the 2025 remuneration of directors and managers. 4. Approved the monthly accrual of the 2025 annual performance bonuses. 5. Approved the salary adjustment rates for employees in 2025.
The 2 nd Meeting of the 6th Term March 6, 2025	1. Approved the distribution of the 2024 joint guarantee allowance payment. 2. Approved the distribution for the 2024 remuneration of employees, directors and supervisors. 3. Approved the provision for the 2024 remuneration of directors and managers.

2.3.5 Implementation of sustainable development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

1. Implementation status of the sustainable development:

Assessment Item	Implementation status (Note 1)			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary (Note 2)	
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to boost sustainable development, which top management team is authorized by the board of directors to handle, and supervised by the board of directors?	V		The Company has established a dedicated ESG project organization for promoting sustainable development on November 8, 2024. However, there are individuals responsible for relevant issues and driving sustainable development.	No discrepancy
2. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies in accordance with the materiality principle? (Note 3)	V		The Company has not established the "Sustainable Development Best Practice Principles" separately but incorporates them into various regulations. The Company conducts annual risk assessments of environmental, social, and corporate governance issues related to its operations and formulates relevant risk management policies or strategies.	No discrepancy
3. Environmental Issues				
(1) Has the Company set an Environmental management system designed to industry characteristics?	V		The Company has established an environmental management system in accordance with industry characteristics for many years. It has consistently adhered to the pollution prevention concept and continuously improved based on environmental considerations.	No discrepancy
(2) Is the company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		The Company is committed to improving resource utilization efficiency and promoting the use of low environmental impact materials (e.g., replacing fuel oil with gas).	No discrepancy
(3) Does the company assess the current and future potential risks and opportunities of climate change for the company and take measures in reaction to related issues?	V		The Company has established an environmental management system based on industry characteristics for many years and continuously monitors and reviews climate-related issues.	No discrepancy
(4) Has the company counted greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water consumption or other waste management?	V		The Company complies with regulations by calculating greenhouse gas emissions, water consumption, and total weight of waste and reporting them as required. The responsible departments propose policies for energy conservation, carbon reduction, water reduction, or other waste management in management meetings.	No discrepancy
4. Social Issues				
(1) Does the company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		The Company establishes management policies in the employee handbook based on internationally recognized principles of basic labor rights, detailing labor regulations and employee rights.	No discrepancy
(2) Has the company established and implemented a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.) where operating performance or results are appropriately reflected in employee compensation?	V		The Company specifies employee welfare measures (including remuneration, vacation, and other benefits) in the employee handbook, and the employee compensation ratio is defined in the articles of incorporation.	No discrepancy
(3) Does the company provide employees with a safe and healthy working environment, with regular safety and health training?	V		The Company attaches great importance to the safety and health of the employees' working environment. Therefore, regular safety and health education and training are conducted, such as promoting the 5S system, conducting air raid drills, and fire drills.	No discrepancy

Assessment Item	Implementation status (Note 1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary (Note 2)	
(4) Has the Company established effective career development training plans?	V		The Company regularly organizes internal education and training programs and provides relevant external courses on a monthly basis to enhance employees' professional and technical capabilities.	No discrepancy
(5) Does the company comply with relevant laws, regulations and international standards on issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, and develop relevant consumer or customer protection policies and complaint procedures?	V		The company requires suppliers to comply with the regulations specified in the supplier management policy and has well-established customer management procedures and smooth customer complaint channels to ensure consumers' rights.	No discrepancy
(6) Has the company formulated a supplier management policy that requires suppliers to follow relevant guidelines on issues such as environmental protection, occupational safety and health or labor rights, and their implementation?	V		In accordance with the "Safety and Health Management Manual" and "Supplier Management Policy," the Company requires suppliers to comply with the regulations and not violate occupational safety and health or labor rights. Relevant clauses are included in the contract when signing agreements.	No discrepancy
5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on corporate non-financial information such as corporate social responsibility reports? Has the aforementioned report obtained an assurance opinion of a third-party verification organization?		V	The Company has not yet adopted internationally recognized regulations governing the preparation of report or guidelines for compiling reports on corporate non-financial information, such as corporate social responsibility reports.	The matter is still under discussion.
6. If the company has established its sustainable development code of practice according to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the operational status and differences: None.				
7. Other important information to facilitate better understanding of the company's implementation of sustainable development: The Company has not established related policy.				

Note 1: Whether the implementation status is checked as "Yes" or "No", it should be described in the summary field.

Note 2: If the Company has prepared a CSR report, the summary field may indicate how to access the report and its corresponding page numbers as an alternative.

Note 3: Materiality principle refers to issues related to the environment, society, and corporate governance that have a significant impact on the company's investors and other stakeholders.

2. Implementation of Climate-Related Information:

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>① The Company's Board of Directors serves as the supreme authority on climate issues, with the Climate Change Response Team providing regular annual reports to the Board about climate change adaptations.</p> <p>② The Company's EHS manager is the person in charge of the Climate Change Response Team, responsible for establishing identification systems for climate change risks and opportunities, developing response strategies, and effectively managing climate risk through various management objectives.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Climate Risks: Severe weather and climate events pose significant threats to production and manufacturing processes.</p> <p>Climate Opportunities: If technologies resistant to extreme climate impacts are utilized before competitors, it could lead to enhanced profitability.</p> <p>Short-term: Expand the implementation of solar power and energy storage systems to fulfill energy market demands and attract new customers, thereby increasing revenues.</p> <p>Medium-term: Participate in developing low-carbon technologies and actively invest in generating, producing, and innovating renewable energy, potentially yielding significant investment returns and attracting investors. Continue to assess market potential and regulatory environments and adjust corporate operational strategies accordingly.</p> <p>Long-term: Climate risks may decrease production capacity or cause disruptions, increasing both operational and infrastructure costs.</p> <p>Strategies:</p> <p>① Mitigation: Implement new renewable energy devices and smart energy monitoring systems to improve energy efficiency.</p> <p>② Adaptation: Regulate temperatures in offices and equipment to enhance organizational resilience against climate impacts.</p> <p>③ Efficient Technology Implementation: Apply external expert system to improve energy efficiency.</p> <p>④ Incorporate Low-carbon Product Goals: Integrate low-carbon product objectives into the Company's supplier management to develop a low-carbon supply chain.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>① Reduce the operating costs ;</p> <p>② Increase revenue</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>① Incorporating "Climate Risk" into the Company's Enterprise Risk Management (ERM) procedures.</p> <p>② Climate Change Response Team is a cross-functional group made up of members from the production, management, and accounting departments, tasked with fostering interdepartmental collaboration and executing climate management across the value chain.</p> <p>③ Evaluate the financial consequences and develop corresponding strategies, aligning them with the annual budget planning of the Company.</p> <p><u>Present a report to the Board of Directors detailing the execution status for the current year and the operational plans for the upcoming year.</u></p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>The Company has implemented the TCFD framework to structure its climate risk identification process. After discussions across various departments, a total of 9 opportunities and 6 risks related to climate have been identified.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>① Establish climate-related performance indicators and quantitative targets, regularly track progress, and transparently disclose the results to the public.</p> <p>② The Company takes into account industry-specific characteristics, identifies relevant risk factors, and enhances the evaluation of climate risks and opportunities. Through ongoing communication and consultations, we examine the potential impacts and implications.</p> <p>③ Water Resource: In response to the reduction of water resources from climate change, develop strategies for sustainable water use to increase efficiency with an aim for zero wastewater emissions.</p> <p>④ Air Pollution: For the characteristics of emissions from our processes, we have designed various air pollution control measures. Start by installing suitable collection devices in each process to reduce escape of emissions, followed by implementing recycling and pollution control equipments to reduce discharge and fortify environmental protections against contamination of water, air, and land.</p> <p>⑤ Advancing Pollution Prevention and Control Technology: Engage with external experts to advance our environmental technologies. This involves refining our process designs and upgrading equipment to minimize the use of raw materials and energy.</p> <p>⑥ Greenhouse Gas Emissions Inventory and Reduction: Proactively disclose information on greenhouse gas management for stakeholders.</p> <p>⑦ Total Waste Weight: Implement strategies focused on "Reducing Overall Waste" and "Converting Waste into Resources". By improving process technologies and reducing raw material usage, we aim to minimize environmental pollution and actively lower the total waste generated.</p>

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company determined the cost per ton of carbon reduction using actual measures and the amounts invested in carbon reduction. For departments that fail to meet their electricity and carbon reduction goals, detail the total excess carbon emissions and the corresponding additional costs they are responsible for. Suggest practical carbon reduction strategies to these units for necessary improvements.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company, predominantly focused on domestic sales, has not yet established specific climate-related targets. However, we continue to integrate carbon reduction strategies into our annual planning to reduce the impact of our operations on climate change. The Company use clean fuel natural gas instead of higher-pollution low-sulfur fuel oil to decrease air pollutant emissions. Furthermore, we have installed solar energy systems on our factory roofs to improve local air quality and uphold our commitment to environmental protection.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to the table below.

3. Greenhouse Gas Inventory and Assurance Status

Year: 2023

The Company	Total Emissions (metric ton CO ₂ e)	Intensity (metric ton CO ₂ e / NT\$ million) (Note 2)	Assurance agency	Assurance statement	Operating Revenue
Scope 1	778.531	1.3273	Crowe (TW) CPAs	Crowe (TW) CPAs	586.548
Scope 2	2,737.020	4.6663	Crowe (TW) CPAs	Crowe (TW) CPAs	586.548
Scope 3	701.202	1.1955	Crowe (TW) CPAs	Crowe (TW) CPAs	586.548
Total	4,216.753	7.1891	Crowe (TW) CPAs	Crowe (TW) CPAs	586.548

Year: 2024

The Company	Total Emissions (metric ton CO ₂ e)	Intensity (metric ton CO ₂ e / NT\$ million) (Note 2)	Assurance agency	Assurance statement	Operating Revenue
Scope 1	755.4896	1.3079	Crowe (TW) CPAs	To be confirmed	577.650
Scope 2	2718.2059	4.7056	Crowe (TW) CPAs	To be confirmed	577.650
Scope 3	709.6352	1.2285	Crowe (TW) CPAs	To be confirmed	577.650
Total	4183.3307	7.2420	Crowe (TW) CPAs	To be confirmed	577.650

- Information for Scope 1 and Scope 2 must be managed according to the timelines established under Paragraph 2 of Article 10 of the regulation, whereas Scope 3 information may be voluntarily disclosed by enterprises.
- The company may conduct greenhouse gas inventories according to the following standards:
 - Greenhouse Gas Protocol (GHG Protocol).
 - ISO 14064-1 published by the International Organization for Standardization (ISO).
- Assurance agencies shall comply with the regulations related to sustainability report assurance stipulated by the Taiwan Stock Exchange Corporation and Taipei Exchange.
- Subsidiaries can report individually, report as groups (e.g., by country or region), or conduct consolidated reporting (Note 1).
- The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue. However, at least the data calculated based on revenue (in million NTD) should be disclosed (Note 2).
- Operating locations or subsidiaries that are not included in the inventory calculation should not account for more than 5% of the total emissions. The total emissions mentioned above refer to the emissions calculated according to the requirements of the mandatory inventory scope, as explained in Form-filing Instructions 1.
- The assurance statement should summarize the contents of the assurance report from the assurance provider and include the letter of assurance as an annex to the annual report.

2.3.6 Ethics Management Performance and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summaries (Note 2)	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(1) Has the Company formulated a policy of ethical management approved by the board of directors, and clearly state, in the bylaw and external documents, the policies and practices of ethical management and the commitment of the board and senior management to actively implement the operating policy?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and "Work Rules" for all directors, managers, and employees to follow.	No discrepancy
(2) Has the Company established a mechanism for evaluating the risk of unethical behavior, regularly analyzed and evaluated business activities with a higher risk of unethical behavior in the business scope, and formulated a plan, which covers at least the precautionary measures in the second paragraph of Article 7 of “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, to prevent unethical behavior?	V		1. According to Article 12 of the Company's work rules, employees are prohibited from accepting kickbacks or other illegal benefits related to their job duties. 2. Employees are provided with a copy of the "Work Rules" to familiarize themselves with disciplinary actions for violations and the complaint handling process.	No discrepancy
(3) Has the Company clearly defined the operating procedures, behavior guidelines, punishment and appeal systems for violations in the unethical conduct prevention plan, and does it implement and regularly review and revise the aforementioned plan?	V		According to Articles 10 to 13 of the Company's "Ethical Corporate Management Best Practice Principles," various forms of unethical behavior are strictly prohibited. The authorization and supervision of the implementation of these rules are delegated from the Board of Directors to various levels of management in accordance with company regulations.	No discrepancy
2. Ethic Management Practice				
(1) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		1. According to the Company's measures of procurement management, procurement decisions are based on the principle of integrity to obtain products of good quality, timely delivery, and reasonable prices. Relevant information is recorded based on transaction records. 2. According to Article 12 of the Company's work rules, employees are prohibited from accepting kickbacks or other illegal benefits related to their job duties.	No discrepancy
(2) Has the Company established a unit affiliated with the board to promote corporate ethical management, and regularly (at least once a year) report to the board its ethical management policies and plans to prevent unethical conduct and monitor implementation?	V		1. The Company has an internal audit unit that regularly assesses various departments and prepares audit reports submitted to the Board of Directors. 2. The Board of Directors fulfills its fiduciary duty to oversee the prevention of unethical conduct, continually reviewing the effectiveness of its implementation and seeking continuous improvement to ensure the implementation of ethical management policies.	No discrepancy
(3) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		According to Article 16 of the Company's "Ethical Corporate Management Best Practice Principles," directors, supervisors, and managers are required to be aware of and actively avoid conflicts of interest. They may present opinions and respond during Board of Directors meetings, but are not allowed to participate in discussions or voting.	No discrepancy

Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management BestPractice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summaries (Note 2)	
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, where the internal audit unit prepared relevant audit plans based on the result of risk assessment of unethical conducts, and checked the compliance with the plan to prevent unethical conducts, or delegated an accountant to perform the verification?	V		1. According to Article 17 of the Company's "Ethical Corporate Management Best Practice Principles," the Company has established an effective accounting system and internal control system for business activities with a higher risk of unethical behavior, without external or undisclosed accounts. The system is continuously reviewed to ensure its effectiveness. 2. The internal audit personnel regularly assess the adherence to the aforementioned system and prepare audit reports submitted to the Board of Directors.	No discrepancy
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		The Company provides education and training to employees, including new recruits, to familiarize them with relevant company regulations.	No discrepancy
3. Implementation of Complaint Procedures				
(1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		According to Article 20 of the Company's "Ethical Corporate Management Best Practice Principles," the General Manager's Office and the email: ct100@ms33.hinet.net has been announced as the channels for reporting and complaints.	No discrepancy
(2) Has the Company established standard operating procedures for investigating the complaints received, take corresponding measures after investigation, and ensuring such complaints are handled in a confidential manner?	V		According to Article 20 of the Company's "Ethical Corporate Management Best Practice Principles," the relevant department heads, as well as the General Manager's Office and the email ct100@ms33.hinet.net , have been announced as the channels for reporting and complaints to avoid confidentiality breaches.	No discrepancy
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V		When dealing with dereliction of duty, the Company publicly discloses information on the violator's position, name, date of violation, violation content, and handling outcome on the company bulletin board. This protects the complainant from undue measures due to reporting.	No discrepancy
4. Information Disclosure				
Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (“MOPS”)?	V		The Company discloses relevant information on its website, specifically in the "Investor Relations" section under "Corporate Governance Information," which can be accessed at http://www.ctworld.com.tw .	No discrepancy
5. If the Company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: None.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy).				
1. The Company adheres to the Company Act, the Business Entity Accounting Act, the Securities and Exchange Act, relevant regulations for listed and over-the-counter companies, and other applicable laws and regulations related to commercial activities as the basis for practicing ethical business conduct.				
2. The Company has established a "Board Meeting Rules" that clearly defines the system for directors to avoid conflicts of interest. This system is strictly implemented to prevent any harm to the company's interests and shareholders' rights.				

The Company has always upheld "integrity" as the highest standard in our business philosophy. In addition to ensuring transparency in corporate operations, the Company has been gradually strengthening the responsibilities and functions of the board of directors and supervisors in corporate governance. The Company has implemented various management systems to ensure that board members and employees can follow them in carrying out their respective duties.

2.3.7 Other information material to the understanding of corporate governance within the Company:
The Company has adopted the following rules and regulations in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” :

1. Rules of Procedure for Shareholders' Meetings	2. Rules of Procedure of the Board of Directors
3. Procedures for Election of Directors	4. Procedures for Acquiring or Disposing of Assets
5. Endorsement Guarantee Practice	6. Operating Procedures for Financing Others
7. Prevention of Insider Trading Management	8. Sustainable Development Practice Principles
9. Integrity Management Procedures and Behavioral Guidelines	10. Internal Procedures for Handling Material Information
11. Organizational Procedures of the Remuneration Committee	12. Rules Governing the Scope of Responsibilities of Independent Directors
13. Organizational Procedures of the Audit Committee	14. Application for Suspension and Resumption of Trading Procedures
15. Integrity Management Procedures and Behavioral Guidelines	16. Board of Directors Self-Assessment

2.3.8 Internal Control System Execution Status

(1) Statement of Internal Control System

<p style="text-align: center;">Chia-Ta World Co., Ltd. Statement of Internal Control System</p> <p style="text-align: right;">March 6, 2025</p> <p>Based on the findings of a self-assessment, Chia Ta World Co., Ltd. states the following with regard to its internal control system during the year 2024:</p> <ol style="list-style-type: none"> 1. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability in financial reporting, and adherence to relevant laws. 2. The effectiveness of the internal control system is subject to inherent limitations. Regardless of how well-designed, an effective internal control system can only provide reasonable assurance for the aforementioned goals. Additionally, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the Company's internal control system includes self-monitoring mechanisms, and any deficiencies identified will be promptly addressed. 3. The Company evaluates the effectiveness of the internal control system based on the criteria outlined in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (referred to as the "Regulations"). These criteria divide the internal control system into five components: control environment, risk assessment, control activities, information and communication, and monitoring. Each component consists of several elements. Please refer to the provisions of the "Regulations" for details. 4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations. 5. Based on the results of the assessment, the Company believe that the internal control system (including the supervision of subsidiaries) as of December 31, 2024, regarding the design and implementation related to achieving goals such as operational effectiveness and efficiency, reliable financial reporting, and compliance with relevant laws and regulations, is effective and can reasonably ensure the achievement of these goals. 6. This statement will be included as a major content in the Company's annual report and public disclosure documents. If any false or concealed information is found in the disclosed content, it may incur legal liabilities under the Securities and Exchange Act, including Articles 20, 32, 171, and 174. 7. This statement was approved by the Board of Directors on March 6, 2025. Out of the five attending directors (including one delegated director), none opposed, and all others agreed with the content of this statement. <p style="text-align: center;">Chia Ta World Co., Ltd.</p>	
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Chairman: Wu, Ta-He



President: Chen, Zheng-Ping



(2) If CPA was retained to conduct a special audit of the internal control system, disclose the audit report: None.

2.3.9 Major Resolutions of Shareholders' Meeting and Board Meetings

(1) Major Resolutions and Implementation of Shareholders' Meeting

Meeting Date: June 20, 2024

Location: No. 2, Yongyun 5th Rd., Yongkang District, Tainan City (First Conference Room, Yongkang Plant of the Company)

The resolutions and implementation status are listed below:

Resolution of shareholder's meeting	Implementation Status
• 2023 Business Report and Financial Statements	1. For 2023, the Company's net sales revenue amounted to NT\$586,548 thousand. The net loss for the period was NT\$3,112 thousand, translating to a loss per share of NT\$0.04. 2. The proposal received a majority of votes in favor, surpassing the required legal amount, and was approved and implemented as resolved by the shareholders' meeting.
• 2023 Appropriation of Losses	1. The net loss after tax for 2023 was NT\$3,112 thousand. Considering the Company's future operational plans and capital requirements, the retained earnings for the year will not be distributed. 2. The proposal received a majority of votes in favor, surpassing the required legal amount, and was approved and implemented as resolved by the shareholders' meeting.

(2) Major Resolutions of Board Meetings

Session	Important resolution
The 13 th meeting of the 17 th Term March 7, 2024	1. Approved the 2023 financial statements 2. Approved the 2023 business report and the 2024 operational plan. 3. Approved the 2023 appropriation of losses. 4. Approved the comprehensive re-election of the Company's directors. 5. Approved the lifting of non-compete restrictions for new directors and their representatives. 6. Approved the procedure for handling shareholder proposals at the Annual General Meeting. 7. Agreed to review shareholder nominations for potential inclusion in the election slate. 8. Approved the arrangements for the 2024 Annual General Meeting. 9. Approved the assessment of effectiveness of the Company's 2023 internal control system and the internal control statement. 10. Approved the amendment of certain articles of the Company's Articles of Incorporation. 11. Approved 2023 performance assessments of the Board members. 12. Approved the application for a new branch of Chia-Ta World Co., Ltd. in Kaohsiung.
The 14 th meeting of the 17 th Term May 8, 2024	1. Approved the 2024 Q1 financial statements. 2. Approved the purchase of director and key officer liability insurance. 3. Confirmed the list and qualification assessment of nominees for directors and independent directors.
The 1 st meeting of the 18 th Term June 20, 2024	1. Approved the election of the 18th term Chairman and Vice Chairman of the Board. 2. Approved the appointment of three independent directors as audit committee and remuneration committee members of the Company.
The 2 nd meeting of the 18 th Term August 8, 2024	1. Approved the 2024 Q2 financial statements. 2. Approved the re-appointment of the remuneration committee. 3. Approved the provision of the Company's "Organizational Chart".
The 3 rd meeting of the 18 th Term November 7, 2024	1. Approved the 2024 Q3 financial statements. 2. Approved the 2024 suitability and independence assessment of the auditors for the Company. 3. Approved the change of accountants in conjunction with the restructuring of the internal duties of the accounting firm. 4. Approved the draft of 2025 internal audit work plan. 5. Approved the establishment of the Company's Rules of Organization of the Sustainable Development Committee. 6. Approved the proposed establishment of the Company's Sustainable Development Committee and the selection of its members. 7. Approved the renewal of financing contracts with the Company's banking partners as they come due. 8. Set the dates for the Board of Directors' meetings in 2025.

The 4 th meeting of the 18 th Term March 6, 2025	<ol style="list-style-type: none"> 1. Approved the 2024 financial statements 2. Approved the 2024 business report and the 2025 operational plan. 3. Approved the 2024 distribution of profits. 4. Approved the 2024 distribution of remuneration to employees and directors and supervisors. 5. Approved the re-election of independent directors. 6. Approved the lifting of non-compete restrictions for new directors and their representatives. 7. Approved the procedure for handling shareholder proposals at the Annual General Meeting. 8. Agreed to review shareholder nominations for potential inclusion in the election slate. 9. Approved the arrangements for the 2024 Annual General Meeting. 10. Approved the assessment of effectiveness of the Company's 2024 internal control system and the internal control statement. 11. Approved the amendment of certain articles of the Company's Articles of Incorporation. 12. Approved the amendment of certain articles of the Company's Rules of Procedure of the Board of Directors. 13. Approved the development of Sustainable Development Practice Principles, tabled for discussion. 14. Approved 2024 performance assessments of the Board members. 15. Approved the Company's proposed compensation case against Mr. Li, Chao-Mao, former Vice Chairman, for the non-conventional land transactions as determined by the Court. 16. Approved the discussion of the request for change of the Company's audit supervisor.
The 5 th meeting of the 18 th Term May 8, 2025	<ol style="list-style-type: none"> 1. Approved the proposed settlement between the Company and Mr. Li, Chao-Mao. 2. Approved the 2025 Q1 financial statements. 3. Approved the purchase of director and key officer liability insurance. 4. Approved the list and qualification assessment of nominees for directors and independent directors

Note: From January 2024 to the date of the annual report in 2025, except for items 1-13 of the resolutions of the board of directors on March 6, 2025, which need to be executed according to the resolutions after being approved by the shareholders' meeting on June 20, 2025, the rest have been completed according to the resolutions of the board of directors.

2.3.10 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

2.4 Information Regarding the Company's Audit Fee

2.4.1. Information on service fees of CPAs

1. Accountant Audit Fee

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Note
Nan Tai CPAs & Co.	Chang, Tai-Yuan	01/01/2024-12/31/2024	1,740	20	1,760	None
	Chen, Mei-Jung					

2. Accountant Audit Fee Scale table

Unit: NT\$ thousand

Fee Items Amount Range		Audit Fee	Non-Audit Fee (Note 1)	Total
1	Below 2,000	V	V	V
2	2,000~3,999	0	0	0
3	4,000~5,999	0	0	0
4	6,000~7,999	0	0	0
5	8,000~9,999	0	0	0
6	Over 10,000	0	0	0

Non-audit fees are full-time employee salary verification fees.

Note:

1. The ratio of non-audit fees to audit fees of the accounting firm and its related enterprises is not more than one quarter, and the non-audit fees do not exceed NT\$500,000: None.
2. If a change of accounting firm has taken place during the year, please divide the audit period and disclose audit and non-audit fee in chronological order: None.
3. If audit fee is reduced by 15% or more from the previous year: None.

2.5 Replacement of CPA: Not applicable.

2.6 Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

2.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title(Note 1)	Name	2024		As of May 12, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Wu, Ta-He	0	0	0	0
Director	Hao Fu Investment Co., Ltd.	0	0	0	0
Director	Hao Fu Investment Representative: Chuang, Hui-Chen	0	0	0	0
Director	Tseng, Wen-Chun	0	0	0	0
Director	Li, Shih-Min	0	0	0	0
Independent Director	Yang, Pi-Tsun	0	0	0	0
Independent Director	Huang, Ming-Shan	0	0	0	0
Independent Director	Hu, Chin-Lien	0	0	0	0

Note 1: Information on the counterparty and related parties in the transfer of equity: None.

2.8 Relationship among the Top Ten Shareholders

May 12, 2025

Name (Note 1)	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Notes
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Name	Relationship	
Li Pei International Investment Co., Ltd.	7,388,000	9.16%	-	0.00%	0	0.00%	None	None	None
Representative of Li Pei International Investment: Chuang, Hui-Chen	1,550,600	1.92%	2,108,600	2.61%	0	0.00%	Representative of TienPin United: Li, Chen-Kuan	Mother-Son	None
Wu, Ta-He	6,859,931	8.50%	1,729,931	2.14%	0	0.00%	Wu, Tseng, Li-Yueh, Tseng, Wen-Chun, Tseng, Wen-Yen, Tseng, Wen-Chi	Spouse, Brother-in-law	None
TienPin United Enterprise Co., Ltd.	5,107,020	6.33%	-	0.00%	0	0.00%	None	None	None
Representative of TienPin United: Li, Chen-Kuan	-	0.00%	-	0.00%	0	0.00%	Chuang, Hui-Chen, Li, Ruo-Chuen, Li, Chen-Hao	Mother-Son, Siblings, Brothers	None
Sing Way Technology Co., Ltd.	4,030,000	4.99%	-	0.00%	1	0.00%	None	None	None
Representative of Sing Way Technology Co., Ltd.: Li, Ruo-Chuen	-	0.00%	-	0.00%	0	0.00%	Chuang, Hui-Chen, Li, Chen-Kuan, Li, Chen-Hao	Mother-Son, Siblings	None
Fu Ying Investment Co., Ltd.	3,793,422	4.70%	-	0.00%	0	0.00%	Fu He Investment	Same person as the Chairman	None
Representative of Fu Ying Investment: Wu, Tseng, LiYueh	1,729,931	2.14%	6,859,931	8.50%	0	0.00%	Fu He Investment, Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Yen, Tseng, WenChi	Chairman, Spouse, Siblings	None
Tseng, Wen-Chun	3,285,730	4.07%	279,106	0.35%	0	0.00%	Wu, Ta-He, Tseng, Wen-Chi, Tseng, Wen-Yen, Wu, Tseng, Li-Yueh	Brothers, Siblings, Brother-in-law	None
Tseng, Wen-Yen	3,275,658	4.06%	279,106	0.35%	0	0.00%	Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Chi, Wu, Tseng, Li-Yueh	Brothers, Siblings, Brother-in-law	None
Tseng, Wen-Chi	3,218,711	3.99%	279,106	0.35%	0	0.00%	Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Yen, Wu, Tseng, Li-Yueh	Brothers, Siblings, Brother-in-law	None
Fu He Investment Co., Ltd.	3,162,689	3.92%	-	0.00%	0	0.00%	Fu Ying Investment	Same person as the Chairman	None
Representative of Fu He Investment: Wu, Tseng, Li-Yueh	1,729,931	2.14%	6,859,931	8.50%	0	0.00%	Fu Ying Investment, Wu, Ta-He, Tseng, Wen-Chun, Tseng, Wen-Yen, Tseng, Wen-Chi	Chairman, Spouse, Siblings	None
Jerry International Investment Co., Ltd.	2,617,500	3.24%	-	0.00%	0	0.00%	None	None	None
Representative of Jerry International Investment: Li, Jheng-Hao	-	0.00%	-	0.00%	0	0.00%	Chuang, Hui-Chen, Li, Ruo-Chuen, Li, Chen-Kuan	Mother-Son, Siblings, Brothers	None

2.9 Ownership of Shares in Affiliated Enterprises

Comprehensive Ownership Ratio

Unit: thousand shares ; %

Information on investees	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)
The Great Tainan Gas Corporation	3,691	2.88%	0	0%	3,691	2.88%
Shing Ecoblue Co., Ltd. (Note)	1,000	20.00%	0	0%	1,000	20.00%

Note: It refers to investments accounted for using the equity method.

III. Company Shares and Fund Raising

3.1 Capital and Shares

Changes in share capital

Month/Year	Per Value (NT\$)	Authorized Capital		Capital Stock		Notes		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
1975.04	1,000	3,000	3,000,000	3,000	3,000,000	Cash capital of NT\$ 3,000 thousand during establishment	None	None
1976.04	1,000	7,000	7,000,000	7,000	7,000,000	New issuance of shares of NT\$ 4,000 thousand	None	None
1977.04	1,000	20,000	20,000,000	20,000	20,000,000	New issuance of shares of NT\$ 13,000 thousand	None	None
1979.04	1,000	34,000	34,000,000	34,000	34,000,000	New issuance of shares of NT\$ 14,000 thousand	None	None
1982.11	100	510,000	51,000,000	510,000	51,000,000	New issuance of shares of NT\$ 17,000 thousand	None	None
1985.06	10	8,500,000	85,000,000	8,500,000	85,000,000	New issuance of shares of NT\$ 20,000 thousand	Capital increase of NT\$14,000,000 through merger with Jia Gu	None
1988.09	10	11,500,000	115,000,000	11,500,000	115,000,000	Surplus transferred to increase capital by 8,500 thousand ; New issuance of shares of NT\$ 21,500 thousand	None	None
1993.05	10	19,000,000	190,000,000	19,000,000	190,000,000	Surplus transferred to increase capital by 24,500 thousand ; Capital reserve increased by NT\$10,000 thousand ; New issuance of shares of NT\$ 40,500 thousand	None	None
1994.12	10	50,000,000	500,000,000	31,000,000	310,000,000	Surplus transferred to increase capital by 76,000 thousand(Note 1) ; New issuance of shares of NT\$ 44,000 thousand	None	None
1995.09	10	50,000,000	500,000,000	34,100,000	341,000,000	Surplus transferred to increase capital by 31,000 thousand (Note 2)	None	None
1997.02	10	50,000,000	500,000,000	37,510,000	375,100,000	Surplus transferred to increase capital by 34,100 thousand (Note 3)	None	None
1997.12	10	50,000,000	500,000,000	41,261,000	412,610,000	Surplus transferred to increase capital by 37,510 thousand (Note 4)	None	None
1999.03	10	80,000,000	800,000,000	59,261,000	592,610,000	Surplus transferred to increase capital by 180,000 thousand (Note 5)	None	None
2000.10	10	80,000,000	800,000,000	65,187,100	651,871,000	Surplus transferred to increase capital by 47,408.8 thousand ; Capital reserve increased by NT\$11,852.2 thousand (Note 6)	None	None
2002.07	10	80,000,000	800,000,000	68,446,455	684,464,550	Surplus transferred to increase capital by 26,074.84 thousand ; Capital reserve increased by NT\$6,518.74 thousand.(Note 7)	None	None
2003.08	10	80,000,000	800,000,000	71,184,313	711,843,130	Surplus transferred to increase capital by 23,378.58 thousand (Note 8)	None	None
2005.09	10	80,000,000	800,000,000	74,031,685	740,316,850	Surplus transferred to increase capital by 28,473.72 thousand (Note 9)	None	None
2009.07	10	120,000,000	1,200,000,000	80,694,536	806,945,360	Surplus transferred to increase capital by 66,628.51 thousand (Note 10)	None	None

Note 1: Approved by Letter No. 32648 from Taiwan Finance Securities (1) on October 13, 1994.

Note 2: Approved by Letter No. 39159 from Taiwan Finance Securities (1) on July 5, 1995.

Note 3: Approved by Letter No. 67780 from Taiwan Finance Securities (1) on November 21, 1996.

Note 4: Approved by Letter No. 785 from Taiwan Finance Securities (1) on October 1, 1997.

Note 5: Approved by Letter No. 85904 from Taiwan Finance Securities (1) on October 13, 1998.

Note 6: Approved by Letter No. 59511 from Taiwan Finance Securities (1) on July 12, 2000.

Note 7: Approved by Letter No. 0910134651 from Taiwan Finance Securities (1) on June 25, 2002.

Note 8: Approved by Letter No. 0920135273 from Taiwan Finance Securities (1) on August 5, 2003.

Note 9: Approved by Letter No. 0940127821 from Financial Supervisory Commission on July 11, 2005.

Note 10: Approved by Letter No. 0980034113 from Financial Supervisory Commission on July 9, 2009.

Type of Stock				
Shares Category	Authorized capital			Notes
	Issued shares (note)	Non-issued	Total	
Common shares	80,694,536	39,305,464	120,000,000	Listed stocks

Note: The Company is listed on the stock exchange.

3.2 The List of Major Shareholders: The names of shareholders with ownership exceeding 5% or ranked among the top ten shareholders, their shareholdings, and respective percentages are as follows:

List of Major Shareholders

Shares	Number of Shares	Shareholding (%)
Name		
Li Pei International Investment Co., Ltd.	7,388,000	9.16%
Wu, Ta-He	6,859,931	8.50%
TienPin Investment Holding Co., Ltd.	5,107,020	6.33%
Sing Way Technology Co., Ltd.	4,030,000	4.99%
Fu Ying Investment Co., Ltd.	3,793,422	4.70%
Tseng, Wen-Chun	3,285,730	4.07%
Tseng, Wen-Yen	3,275,658	4.06%
Tseng, Wen-Chi	3,218,711	3.99%
Fu He Investment Co., Ltd.	3,162,689	3.92%
Jerry International Investment Co., Ltd.	2,617,500	3.24%

3.3 Dividend Policy and Implementation Status

1. Dividend Policy

After each fiscal year, if the Company has retained earnings, it shall allocate 10% of the statutory retained earnings, excluding the payment of corporate income tax and the offsetting of previous years' losses. However, if the statutory retained earnings have reached the total capital amount, this requirement does not apply. Additionally, the remaining balance shall be allocated in accordance with legal requirements or the reversal of special retained earnings, along with the allocation of 50% to 95% of the accumulated undistributed earnings from the previous year, subject to adjustment based on the actual profits and financial situation of the current year as determined by the shareholders' meeting.

In consideration of the Company's future funding needs and long-term operational planning, if there are retained earnings in the annual financial statements, the annual cash dividends shall not be less than 10% of the total dividends for the year; however, cash dividends below NT\$0.1 per share will not be distributed. In the event of accumulated or current year's deductions from shareholder's equity that exceed the current year's after-tax profits, an equivalent amount shall be allocated from the accumulated undistributed earnings of the previous year to the special retained earnings. These deductions shall be deducted prior to the allocation for distribution. Subsequently, when there is a reversal of the deductions from shareholder's equity, the corresponding portion of the profits may be distributed.

2. Proposed Distribution of Dividend

For the fiscal year 2024, net income totals \$15,721,546 after taxes. This amount has resulted in a \$0.2 per share dividend, as per the resolution of the Board of Directors on March 6, 2025.

3.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

3.5 Directors' and Supervisors' Remuneration and Employees' Profit Sharing

1. According to Article 30 of the company's articles of association: If the company is profitable in a given year, the allocation for directors' and employees' remuneration shall be as follows:

- ① 1% to 5% of the annual profit should be allocated to employees as a profit sharing.
- ② Up to 5% of the annual profit to directors as remuneration.

In cases where the company is still addressing accumulated losses, funds must first be reserved to offset these losses.

Employee remuneration may be granted in the form of stock or cash, including to employees of subsidiaries who qualify under the criteria established by the board of directors. Directors' remuneration is exclusively in cash.

These decisions on remuneration must be made by the board of directors and subsequently presented at the shareholders' meeting.

2. Basis for estimating the amount of employee remuneration and remuneration for directors and supervisors in the current period, the basis for calculating the number of stocks for employee remuneration to be distributed by way of stock dividends, and accounting treatment if the actual distributed amount differs from the estimate: Changes in accounting estimates are accounted for as a change in accounting estimate and are recorded as an adjustment in the following year.
3. Information on employee remuneration approved by the board of directors:
 - ① The net income after tax for the year 2024 was NT\$15,721,546. The Board of Directors' meeting held on March 6, 2024 approved the distribution of directors' remuneration of NT\$627,933 and employees' remuneration of NT\$627,934, totaling NT\$1,255,867 (in cash), which was paid on March 25, 2025.
 - ② The amount of employee remuneration distributed in stock and the ratio of the total amount of net profit after tax and total employee remuneration in the current individual or separate financial report: There were no employees' and directors' and supervisors' remuneration distributed in stock..
 - ③ There is no difference between the actual disbursed amount and the number of stocks calculated..
4. The actual distribution of director and employee remuneration in the previous year (including the number of shares distributed, the amount, and the stock price), and if there are differences with the recognized employee bonus and director remuneration, the difference, reason, and handling should be stated:
 - ① Issuance of Employee Cash Bonuses, Stock Bonuses, and Director Remuneration: In 2023, the Company reported a net loss, leading to cash bonus of NT\$0 being issued for directors, supervisors, or employees.
 - ② The amount of employee remuneration distributed in stock and the ratio of the total amount of net profit after tax and total employee remuneration in the current individual or separate financial report: There were no employees' and directors' and supervisors' remuneration distributed in stock., due to the after-tax loss in 2023.
 - ③ There is no difference between the actual disbursed amount and the number of stocks calculated, which is none.

3.6 Buyback of Common Stock: None.

3.7 Issuance of Corporate Bonds: None.

3.8 Issuance of Preferred Stock: None.

3.9 Issuance of Global Depositary Shares: None.

3.10 Employee Stock Options: None.

3.11 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

3.12 Implementation of the Company's Fund Raising and Utilization

① Planned content:

Analysis of the yet to be completed issuances or private placements of securities and the projected benefits of the fund utilization plan for the last three fiscal years that have not yet materialized: None.

② Implementation status:

For each of the plans mentioned above, an item-by-item analysis is made until the quarter before the annual report's printing date, comparing its implementation with the original projected benefits: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

1. Main areas of business operations:
 - (1) Trading of motorcycle, automobile, and bicycle parts.
 - (2) Manufacturing, processing, and trading of steel wire, galvanized steel wire, galvanized iron wire, prestressed steel wire, prestressed steel stranded wire, special-shaped prestressed steel bars, steel stranded wire, steel cables, springs, steel wire products, mechanical hardware parts.
 - (3) Wholesale of Computers and Clerical Machinery Equipment
 - (4) Wholesale of Computer Software
 - (5) Information Software Services
 - (6) Wholesale of Precision Instruments
 - (7) Computer Equipment Installation
 - (8) Computer and Peripheral Equipment Manufacturing
 - (9) Lighting Equipment Manufacturing
 - (10) Wholesale of Electronic Materials.
 - (11) Wholesale of Electrical Appliances.
 - (12) Electronics Components Manufacturing
 - (13) Affairs Machine Manufacturing
 - (14) General Instrument Manufacturing
 - (15) Optical Instruments Manufacturing
 - (16) Data Processing Services
 - (17) Electronic Information Supply Services
 - (18) International Trade
 - (19) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution

Unit: NT\$

Revenue distribution	Total Sales	(%) of Total Sales
General steel wire	426,523	73.84%
Galvanized steel wire	48,454	8.39%
Steel cables	101,202	17.52%
Others	1,471	0.25%
Total	577,650	100.00%

3. New products and Services development

The Company is currently committed to improving the quality of existing products and gradually increasing the completeness of product sizes to meet market demand.

4.1.2 Industry Overview

1. Current Dynamics and Prospects

Taiwan's economic growth is export-driven, heavily influenced by the global economic climate. The domestic market is constrained, and the export market is unable to secure more favorable tariff agreements. Consequently, the cost of exports is higher compared to other countries, making it challenging to overcome bottlenecks and increase exports. Complicating factors include the persistent war in Ukraine, and the recent escalations in the Israel-Palestine conflict, the cost increase in the European and U.S. shipment lines, the container loading of 20-foot containers has decreased from 24 tons to 18 tons for European and U.S. shipping lines, etc. All of which exacerbate the difficulties faced in export markets.

Securing orders for export sales is challenging due to the competitive pricing of imported goods, which contributes to a steady decline in revenue. Additionally, enterprises must navigate rising labor, environmental, and carbon tax costs.

The Company imports more than 50% of its raw materials. As the U.S. continues to raise interest rates to curb inflation, the exchange rate of the Taiwan dollar against the U.S. dollar increased by 4.33% from 31.221 at the beginning of the year to 32.574 in the fourth quarter (the average monthly exchange rate of the Central Bank of the ROC). The depreciation of the

Taiwan dollar will have an impact on the Company's raw material purchasing costs. Externally: The Ukraine-Russia war and the Israeli-Palestinian conflict did not end immediately following President Trump's statement, and the U.S. initiated a tariff war on April 1, 2025. This indicates that the future economic outlook is not optimistic, and we must exercise caution and observe the developments.

Internally: The government is expected to actively promote public works through the development of electricity, old bridges, and urban renewal. This, coupled with the electronics industry's demand for plant construction, should drive demand for steel.

2. Correlation of the industry supply chain

Upstream: Steel refining, Large Steel Billets, Small Steel Billets, Wire Rods, Imported Small Steel Billets Further Processed into Wire Rods.

Midstream: Further processing of wire rods yields products such as diverse specifications of steel wires, steel cables, galvanized steel wires, prestressed steel wires, and prestressed steel strands.

Downstream: Mattress industry, wire rope hardware, metal springs, foundation piles, utility poles, bridges, sports equipment, electrical wires and cables.

3. Product Trends and Competition

The steel wire and cable sector in mainland China and Southeast Asia gains competitive advantages due to their lower raw material costs and significant economies of scale, resulting in more cost-effective products compared to Taiwan. While their product quality may not compare to Taiwanese standards, their success in less quality-sensitive markets is bolstered by favorable trade agreements, thus securing a dominant position in international markets and creating substantial competition for Taiwanese exporters. To tackle this robust competitor, The Company is only striving to cut costs, therefore actively seeking affordable, superior raw materials and enhancing the production techniques to improve quality and establish a clear distinction from foreign products, which are the direction for the Company's future development.

4.1.3 Research and Development

1. Research and Development Expenses in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

As the Company carries out new product development and quality improvement through the efforts of personnel in the original production department, without a dedicated department, there are no research and development expenses incurred.

2. Research and Development Achievements for the current year and up to the date of publication of annual report: Please refer to page 2.

4.1.4 Long-Term and Short-Term Business Development Plans

1. Steel Wire Department:

(1) Short-term:

The Company's steel wires and cables are manufactured to meet stringent inspection standards, earning widespread acclaim for their quality from both domestic and international clients. To enhance competitiveness, we aim to increase production capacity and use higher-quality raw materials to lower costs. However, the procurement of some materials from mainland China is hindered by lengthy approvals required by the Ministry of Economic Affairs' Bureau of Foreign Trade. This delay often causes us to miss the chance to purchase more cost-effective imported materials, which is a significant issue that we need to resolve urgently. In response, our short-term strategy includes not only actively expanding our customer base but also vigorously searching for and acquiring more competitively priced raw materials.

(2) Long-term:

With over 40 years of experience in the wire industry, the Company has weathered multiple changes in the industry's landscape and has found a way to survive and thrive. Recognizing the importance of promptly responding to market changes and reducing costs, the company not only focuses on continuously improving the quality of existing products but also pursues a policy of developing more advanced and specialized products that meet market demands. Different grades of raw materials are selected based on the selling price, ensuring that the product quality meets customer requirements, and after-sales service remains

consistent. Therefore, the company's long-term efforts are focused on developing new products, industry automation, increasing production capacity, and reducing costs.

4.2 Market, Production and Sales

4.2.1 Market Analysis

1. Sales (Service) Region

Region	Taiwan	Asia	America	Total
Steel Wire Department	90.25%	9.75%	0.00%	100.00%

2. Market Status:

(1) Wire Department:

The wire industry is an important part of the basic industry, with relatively stable market demand. Various countries around the world have signed trade agreements, large or small, in pursuit of equal and mutually beneficial trade, aiming to create win-win situations. However, Taiwan is restricted by political factors in signing trade agreements, which puts the company at a disadvantage in the export market. Additionally, the domestic market is affected by imports and numerous domestic competitors, leading to limited profit margins. However, through quality improvement, collaboration with customers to develop new products, and differentiation from competitors, the company can create business opportunities by stabilizing the domestic market, developing new customers, and diversifying export markets.

3. Development Prospects and Favorable and Unfavorable Factors:

(1) Future Growth:

a. Wire Department:

The international wire market fluctuates depending on the major policies of different countries, and steel prices are also affected by the production policies of major steel mills. The company's wire products mainly serve customers in public works, transportation equipment, and household furniture industries, which have a certain level of demand. As long as the quality is stable, prices are reasonable, and continuous development of new products that meet customer needs is pursued, stable profitability can be achieved.

(2) Favorable Factors:

- ①. Standardized production operations and obtaining ISO 9001 certification and various domestic and international product certifications ensure stable quality.
- ②. Products are graded according to customer needs and quality conditions to meet customer demands.
- ③. Long-term commitment and expertise in the wire and cable industry, high market sensitivity, and the ability to adjust marketing and procurement strategies promptly.
- ④. Diversified operations, continuous improvement in product quality, and prompt provision of appropriate product services.
- ⑤. Stable human resources with low turnover rate, clear division of labor, high job proficiency, and a certain level of professionalism and high execution efficiency.
- ⑥. The Company has long been committed to improving quality, resulting in better quality compared to imported or general wire and cable products, giving it a certain market share.

(3) Unfavorable Factors:

- ①. Increasing environmental awareness leads to strict requirements for the treatment of emissions, wastewater, and waste, increasing processing costs and production costs.
- ②. Low-priced imported wire and cable products circulating in the market affect sales.
- ③. The government continues to raise the minimum wage, and there are increases in fuel and electricity prices, as well as greenhouse gas inspections. In the future, there will be requirements related to carbon rights and carbon taxes, which will relatively increase operational costs.
- ④. Intense market competition, with raw material costs not easily reflected in selling prices.

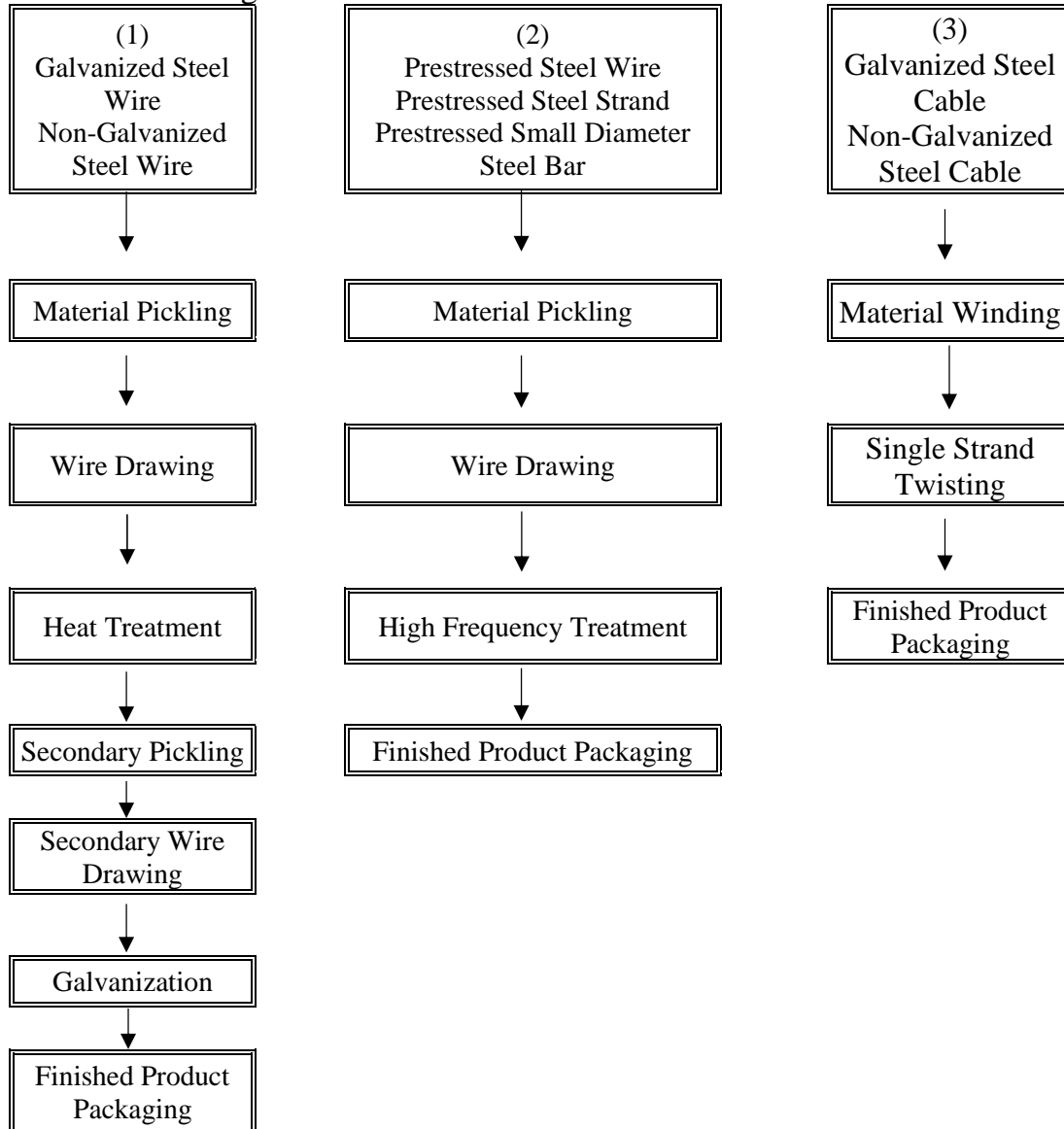
4.2.2 Core Applications of Major Products and Manufacturing Processes

1. Core Applications of Major Products:

The current products of the Company have important applications and functions in various industries:

Department	Product Name	Product Usage
Steel Wire	General Steel Wire, Galvanized Steel Wire	Used in cable cores, telecommunication overhead wires, packaging with galvanized steel wire, steel ropes, steel cables, bed springs, sports equipment, shock-absorbing springs, umbrella frames, car parts, mechanical hardware springs, etc.
	Prestressed Steel Wire, Prestressed Steel Bars, Prestressed Steel Strands	Used in foundation piles, utility poles, high-pressure water pipes, prestressed bridges, etc.
	Galvanized Steel Ropes, Non-galvanized Steel Ropes	Used in fisheries, commercial ships, forestry, lifting ropes, etc.

2. Manufacturing Processes



4.2.3 Status of Supply of Chief Materials

The main raw materials used in the production of products in our Steel Wire Department are various types of coils, iron wires, and zinc ingots. Coils and iron wires are primarily sourced from domestic steel manufacturers such as CSC (China Steel), Quintain Steel, Promoter Trading, UMC-United Metals, and if necessary, we evaluate the quality and price for importing from foreign suppliers. Zinc ingots are purchased from domestic traders such as Sun Beam Tech. and Parex International. The raw material sources are diversified, and we have established long-term supply relationships with reliable suppliers.

4.2.4 Major Customers Representing More Than 10% of Total Purchase (Sales) Volume in Any of the Last Two Fiscal Years:

1. Major Suppliers

Unit: NT\$ thousand

Item	2023				2024				2025 (As of March 31) (Note 2)			
	Supplier	Amount	Share of Total Annual Net Purchases (%)	Relation with Issuer	Supplier	Amount	Share of Total Annual Net Purchases (%)	Relation with Issuer	Supplier	Amount	Share of Net Purchases up to the End of the Previous Quarter (%)	Relation with Issuer
1	T14175	105,673	26.06%	None	T14175	78,984	21.51%	None	T14175	31,249	22.85%	None
2	952868B	36,186	8.92%	None	AZ0029	27,579	7.51%	None	56789A	19,761	14.45%	None
3	911347A	35,549	8.77%	None	AZ0020	25,952	7.07%	None	AZ0026	18,940	13.85%	None
4	AZ002A	31,733	7.82%	None	AZ0035	25,926	7.06%	None	44804C	12,090	8.84%	None
5	Other	196,395	48.43%	None	Other	208,812	56.86%	None	Other	54,733	40.02%	None
Total Net Purchases		405,537	100.00%		Total Net Purchases	367,253	100.00%		Total Net Purchases	136,772	100.00%	

Note 1: The names and purchase amount ratios of suppliers who contributed to more than 10% of total purchases in the most recent two years are listed. However, if supplier names cannot be disclosed due to contractual agreements or if the transaction is with a non-related individual, code names may be used instead.

Note 2: As of the date of the annual report publication, if a company that is listed or whose shares are traded at a securities brokerage firm has the most recent financial data audited or reviewed by an accountant, this information should also be disclosed.

2. Major Sales Customer

Unit: NT\$ thousand

Item	2023				2024				2025 (As of March 31) (Note 2)			
	Sales Customer	Amount	Share of Annual Net Sales (%)	Relation with Issuer	Sales Customer	Amount	Share of Annual Net Sales (%)	Relation with Issuer	Sales Customer e	Amount	Share of Net Sales up to the End of the Previous Quarter (%)	Relation with Issuer
1	T21734	71,111	12.12%	None	J00002	55,040	9.53%	None	J00002	24,382	13.55%	None
2	T31902	38,369	6.54%	None	T21734	49,232	8.52%	None	T21734	20,767	11.54%	None
3	J00002	37,714	6.43%	None	T76548	33,901	5.87%	None	T92495	15,650	8.70%	None
4	T76548	30,950	5.28%	None	T24297	27,845	4.82%	None	T31902	9,839	5.47%	None
5	Other	408,405	69.63%	None	Other	411,632	71.26%	None	Other	109,296	60.74%	None
Total Net Sales		586,548	100.00%		Total Net Sales	577,650	100.00%		Total Net Sales	179,934	100.00%	

Note 1: The names and purchase amount ratios of suppliers who contributed to more than 10% of total purchases in the most recent two years are listed. However, if supplier names cannot be disclosed due to contractual agreements or if the transaction is with a non-related individual, code names may be used instead.

Note 2: As of the date of the annual report publication, if a company that is listed or whose shares are traded at a securities brokerage firm has the most recent financial data audited or reviewed by an accountant, this information should also be disclosed.

4.3 Workforce Structure

Year		2023	2024	As of March 31, 2025
Employee Number	Direct Labor	63	55	55
	Indirect Labor	22	19	17
	Sales and Administrative Staff	33	35	35
	Total	118	109	107
Average Age		49.86	50.02	51.29
Average Seniority		14.93	15.77	15.88
Education	Ph.D.	0.00%	0.00%	0.00%
	Master's	2.61%	2.75%	2.80%
	Undergraduate	25.22%	25.22%	24.30%
	Other Higher Education	37.39%	37.17%	38.32%
	High School and below	34.78%	34.86%	34.58%

4.4 Environmental Protection Expenditure

4.4.1 Current Implementation Status of Pollution Prevention and Control

1. In our current manufacturing process, the pickling operation for coils generates wastewater and acid gas emissions. Therefore, we have set up a wastewater treatment facility that handles approximately 600 cubic meters of wastewater daily, as well as wet-type gas filtration equipment with a capacity of 50 horsepower for treating acid gas.
2. The annealing and hot-dip galvanizing processes in our manufacturing process generate hot exhaust gas and acid gas. To address this, the Company has installed two wet-type gas filtration equipment with capacities of 30 horsepower and 10 horsepower, respectively.
3. The permit for our wastewater treatment installation is set to expire in March 2029. We have received preliminary approval from the Environmental Protection Bureau for an extension and are in the process of submitting the required documentation. The Company's ongoing commitment is to operate this facility efficiently, ensuring compliance with effluent quality standards.
4. Our facilities are equipped with air pollution control systems that have held permits for operating fixed pollution sources for several years, covering processes such as pickling and hot-dip galvanizing. These systems undergo routine inspections as mandated by regulatory standards. The operational permits for these systems are scheduled to expire in March 2027 for the pickling process and in June 2026 for the galvanizing process.

4.4.2 Occurrence of Violations or Disputes Regarding Unauthorized Emissions in Fiscal Year 2025 and up to the Date of Publication of the Annual Report

There were no violations related to emissions or any disputes occurred during 2025.

4.4.3 Countermeasures

1. In addition to regular maintenance of the wastewater treatment facility to ensure optimal performance, we actively explore the possibility of recycling treated discharge water for reuse in the manufacturing process to reduce the consumption of natural water and lower water costs.
2. In response to waste management regulations, the Company will fully cooperate with the government's implementation of policies such as waste sorting and mandatory resource recycling to achieve waste reduction and resource reuse.

4.4.4 Expected Environmental Protection Expenditures for the Next Two Years:

Preventing environmental pollution is not only a moral responsibility for the company but also a demonstration of our responsibility to society. The company regularly replaces consumables for pollution control equipment and strictly follows standard operating procedures (SOP) to maintain optimal environmental quality. This not only helps prevent fines and disputes resulting from negligence but also reduces resource waste through reuse. It significantly enhances the overall corporate image. The estimated environmental protection expenditure for 2025 is approximately NT\$5,000 thousand, subject to adjustment based on needs.

4.4.5 Impact of Improvements:

By treating and recycling wastewater, we can reduce water waste and mitigate the impact of water shortages during periods of low water supply, thereby reducing costs associated with water consumption. Waste sorting and mandatory resource recycling not only decrease the amount of waste processed by the company but also improve the adverse environmental impacts resulting from waste generation.

4.5 Labor Relations

4.5.1 Detailed descriptions of employee benefits, retirement plan and each of the implementations, as well as the labor management agreement

1. Employee benefits

The Company places great importance on employee welfare to ensure their well-being and provide a stable living environment, allowing them to fully dedicate themselves to the Company. In addition to

complying with labor insurance and health insurance laws and regulations, the Company established the Employee Welfare Committee in December, 1992, dedicated to handling various welfare matters. The main welfare measures include:

- ① Promoting relevant activities in accordance with the Labor Standards Act and related regulations.
 - ② Providing various employee benefits such as employee travel, holiday bonuses, and welfare items distribution.
 - ③ Coordinating welfare matters for employee marriages, funerals, and celebrations.
 - ④ Conducting regular employee health check-ups to reduce occupational hazards and ensure worker safety.
 - ⑤ According to the Company's article of incorporation, if the Company generates profit, employee rewards are distributed annually in accordance with the established procedures to the active staff members.
2. Employee Training and Development System and Implementation Status:

- ① The Company's education and training programs focus on providing necessary skills and knowledge for employees to perform their duties effectively. "Measures for Personnel Education and Training Management" have been established to guide the implementation following of education and training activities. Each year, an annual education and training plan is developed based on the requirements of the personnel education management regulations, personnel job skills, and the Company's development needs. The annual education and training plan is accompanied by a budget allocation and the establishment of quality objectives for the training. Each department holds monthly training activities in accordance with the annual education and training plan, including internal training within the company and participation in external training programs. The courses cover new employee orientation, management training, quality management, professional and technical training, and training programs required to obtain certifications. In 2024, a total of 12 in-house training sessions were conducted, totaling 348 hours. External training was attended by 23 individuals, with a total of 292 hours. The total annual education expenses amounted to NT\$90,900.
- ② Directors, internal auditors, finance, and accounting personnel undergo specialized training as required by their respective departments. The training details are as follows:

Training Place	Title	Name	Hours	Course
Accounting Research and Development Foundation	Governance Officer	Wang, Chiu-Yueh	12	Continuous Education for Governance Officers
The Allied Association for Science Park Industries	Accounting Officer	Wang, Chiu-Yueh	12	Continuous Education for Accounting Executives
The Allied Association for Science Park Industries	Accounting Representative	Chien, Yu-Chi	12	Continuous Education for Accounting Representatives
Taiwan Academy of Banking and Finance	Independent Director	Huang, Ming-Shan	3	Corporate Governance
Taiwan Corporate Governance Association	Independent Director	Huang, Ming-Shan	3	Corporate Governance
Securities and Futures Institute	Director	Wu, Ta-He	3	The Wafer Century War
Securities and Futures Institute	Director	Chuang, Hui-Chen	3	The Wafer Century War
Securities and Futures Institute	Director	Tseng, Wen-Chun	3	The Wafer Century War
Securities and Futures Institute	Director	Li, Shih-Min	12	Dispute Over Management
Accounting Research and Development Foundation	Internal Audit Officer	Huang, Chia-Li	12	Continuous Education for Internal Audit Officer
The Institute of Internal Auditors	Audit Representative	Wu, Chi-Tun	12	Continuous Education for Internal Audit Officer

3. Employee Retirement Policy

- ① The Company has established the Employee Pension Plan and calculates labor pension in accordance with the Labor Standards Act. The allocation amounts are calculated separately based on the old and new systems.
 - A. Old system: On May 28, 1987, the Labor Retirement Reserve Supervision Committee was formed. Retirement reserves are legally deposited into a special account at the Trust Department of Bank of Taiwan (the current contribution rate is 15%). As of the publication date of this annual report, the previously allocated retirement reserves are sufficient to cover the retirement pensions of current retirees under the old system. Consequently, the Company have been annually applying for and receiving approval to temporarily suspend further contributions. Going forward, the Company will continue to assess the fund annually and will resume contributions as necessary until all eligible employees under the old system are fully retired.
 - B. New system: From July 1, 2005, in accordance with the "Labor Pension Act," employee retirement contributions are made to individual accounts (the current contribution rate is 6%).
- ② The Company provides group accident insurance for employees (by Shin Kong Life Insurance) to enhance employee protection.

4. Labor Relations

- ① The Company has established an industrial union in compliance with regulations and convenes regular labor-management meetings with representatives chosen by the employees. These meetings serve not only to gather feedback from frontline staff but also to communicate corporate policies and mediate any disagreements. The Company places high importance on employee input, contributing to consistently harmonious labor relations with no recorded disputes.
- ② Since 2020, the Company has been signing collective agreements with the labor unions in the Company's industry on an annual basis, and has continued to utilize the existing contract items and increased employee benefits to the greatest extent possible. Consequently, the Company has been recognized as a business unit with exceptional labor relations, receiving commendations from the Tainan City Government from 2020 to 2025. On April 22, 2025, the Company formally signed the collective agreement with the Chia Ta Industrial Union, in accordance with the oversight of the Bureau of Labor Affairs.

4.5.2 At the time of printing this publication, loss incurred by labor dispute and the amounts of anticipated losses and countermeasures: None.

4.5.3 Anticipated Losses Due to Labor Disputes: None.

4.5.4 Employee Behavior and Code of Ethics:

The Company attaches great importance to the clarity and rationality of its management systems. In accordance with labor Standard law, the Company has established "Work Rules" (approved document No.: Nanshi Labor Letter No. 1060584012), which are available on the Company's website for access by all employees. The "Work Rules," particularly in Chapter 2 "Discipline and Guidelines," provide detailed guidelines on employee conduct and professional ethics. Therefore, the Company does not establish a separate code of conduct for employees' ethical behavior.

4.5.5 Measures of Working Environment and Employee Safety

The Company implements preventive measures for occupational hazards to protect the health and safety of its workers. The "Labor Safety and Health Work Rules" outline the operating procedures that all employees must adhere to, aiming to prevent various accidents and injuries. The rules clearly define the "organizational responsibilities" and require regular "self-inspection and maintenance" by each unit. They also establish "occupational safety and health standards" and promote regular "education and training." In the event of a disaster or accident, emergency response measures are implemented. Through these measures, the Company continuously improves the working environment and ensures comprehensive employee safety, striving for zero accidents and incidents.

The Company has always emphasized the clarity and rationality of its management systems. In accordance with labor Standard Act, the Company has established "Work Rules" (approved document (81) No.: Nanshi Labor Letter No. 177325) and distributed a copy to each employee for reference. The detailed guidelines on employee conduct and professional ethics can be found in Chapter 2 "Service Guidelines" of the Work Rules. The Company does not establish a separate code of conduct for employees' ethical behavior.

4.6 IT Security Management

4.6.1 Information Security Risk Management Framework

The information security management team was appointed by the President and the head of the information department to spearhead information security management and planning, in collaboration with all business-related units, to ensure the effectiveness of the company's information security management operations. The team convenes regularly to formulate information security management policies and review and amend them. They also report on the process of responding to and handling information security incidents and reviewing the status of implementation. Furthermore, they report on the status of management to the board of directors on a regular basis each year.

4.6.2 Information Security Policies

1. Ensure the continuity of the Company's business operations and the reliable use of its information services.
2. Ensure the confidentiality, integrity, and availability of information assets under the Company's custody, and protect the privacy of personnel information.
3. Establish a plan for the sustainable operation of the information business, include implementing information business activities that comply with relevant laws and regulations

4.6.3. Specific Actions in Information Security Management

1. Establish a mechanism for regular inventory of information assets. Additionally, conducting risk management based on security risk assessment and implementing various control measures is crucial.
2. Employees are required to apply for an account to use the computer system, implement appropriate data access authorization and control, and periodically request a password change.

3. Computer rooms are subject to stringent security protocols, overseen by a dedicated access control team.
4. According to its importance level, establish data backup mechanisms, off-site backup hosts, and off-site storage of backup media.
5. Regularly perform equipment simulation tests and disaster recovery drills for important systems to verify the effectiveness of contingency measures and data preservation. This will ensure that the normal operation of the system can be restored in the shortest possible time.
6. Evaluate and improve the protection capability of endpoints, servers, and network equipment. Install anti-virus software and regularly confirm virus code updates. Prohibit the use of unauthorized software.
7. Implement endpoint antivirus measures in accordance with the type of computer, and fortify malware behavior detection.
8. When obsolete computers are being recycled, it is essential to remove the hard disk and disassemble it to scratch the internal magnetic media disk to prevent data leakage.
9. Maintain effective oversight and monitoring of all outgoing communications. Implementing email social engineering strategies can enhance staff awareness of potential email threats and strengthen email security defenses. This approach helps to prevent the unintentional activation of malicious software, such as destructive or extortion software.
10. Regularly review and strengthen the firewall and network control to prevent hacker attacks or malicious access to the internal network.
11. Establish and maintain effective communication with the security vendors. In addition, it is crucial to regularly review security reports to identify any potential vulnerabilities in the network security or server systems. Once vulnerabilities are identified, it is imperative to address them promptly to ensure the integrity and security of the systems.
12. Establish standardized procedures for information security incident response and notification, and handle information security incidents appropriately and immediately to prevent damage from spreading.
13. All employees are expected to comply with applicable laws, regulations, and information security policy requirements. Supervisors are responsible for overseeing the implementation of the information security compliance system, regularly communicating the company's latest information security regulations and matters of note, and enhancing colleagues' awareness of information security and legal concepts.

4.6.4 Investing in Resources for IT Security Management

It is estimated that approximately \$60,000 per year will be allocated to IT security management-related expenses. This budget includes the initial costs of hiring two staff members to establish the program. Additionally, expenses or staff additions may be necessary to implement remedial and improvement measures, depending on the specific circumstances.

4.6.5 The losses, possible impacts, and countermeasures suffered as a result of significant information and communication security incidents in the most recent year and up to the date of publication of the annual report, and if they cannot be reasonably estimated, the fact that they cannot be reasonably estimated: None.

4.6.6 Information Security Risk Assessment and Response Measures

The Company has implemented a comprehensive network and information security protection system to oversee and manage its manufacturing operations and other critical business functions. Through regular review and evaluation of information security regulations and procedures, as well as software and hardware upgrades and updates, the appropriateness and effectiveness of the system is ensured. In light of the constantly evolving threat landscape, there is no assurance of the immunity to cyberattacks, including ransomware, which utilizes emails with attachments to surreptitiously initiate and execute programs, thereby disrupting company operations and system functionality. Employees who utilize the computer system are advised to adhere to the established guidelines for account application, regularly change their passwords, and configure appropriate data access rights in alignment with their business scope. It is imperative that they sign a confidentiality contract regarding intellectual property rights and business secrets. This contract obligates them to adhere strictly to the stipulated confidentiality regulations and to safeguard the company's proprietary information. Failing to do so could result in penalties from the personnel or legal liabilities. The computer room is under full-time access control, and a data backup mechanism and off-site backup hosts are established for the data required for system operation according to its level of importance, so that backup media and data can be sent to off-site storage. It is essential to regularly assess the efficacy of contingency measures and data preservation protocols. This can be achieved by conducting system simulation tests and disaster recovery drills. In the event of system damage resulting from unanticipated natural disasters or human error, the system can be restored to normal operation in the shortest possible time.

4.7 Important contracts

4.7.1 Significant Sales Contracts:

As of May 12, 2025

Nature of the Contract	Contracting Party	Contract Period	Main Content	Contract Quantity (tons)	Restrictive provisions
Sales	T10172	2022/04/30~Depends on project progress	Prestressed steel strand	575	None
Sales	T40128	2024/05/01~Depends on project progress	Prestressed steel strand	1,000	None
Sales	T40296	2023/04/30~Depends on project progress	Prestressed steel strand	2,470	None
Sales	T20031	2024/03/01~Depends on project progress	Prestressed small-diameter steel bar	600	None
Sales	T20028	2023/08/30~Depends on project progress	Prestressed small-diameter steel bar	1,000	None
Sales	AJ0002	2024/04/30~Depends on project progress	Prestressed small-diameter steel bar	100	None

4.7.2 Significant Purchase Contracts:

As of May 12, 2025

Nature of the Contract	Contracting Party	Contract Period	Main Content	Contract Quantity (tons)	Restrictive provisions
Purchases	414175	Jan 2025 - Dec 2025	Wire coils	Quarterly procurement	None
Purchases	03108C	Jan 2025 - Dec 2025	Wire coils	Quarterly procurement	None
Purchases	03108B	Jan 2025 - Dec 2025	Wire coils	Quarterly procurement	None
Purchases	619790	Jan 2025 - Dec 2025	Wire coils	Quarterly procurement	None
Purchases	711597	Jan 2025 - Dec 2025	Wire coils	Quarterly procurement	None
Purchases	52868B	Jan 2025 - Dec 2025	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0026	Jan 2025 - Dec 2025	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0029	Jan 2025 - Dec 2025	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0019	Jan 2025 - Dec 2025	Finished Steel Wire	Quarterly procurement	None
Purchases	AZ0002	Jan 2025 - Dec 2025	Hemp Rope and Twine	Quarterly procurement	None
Purchases	080408	Jan 2025 - Dec 2025	Charcoal Powder	Quarterly procurement	None
Purchases	506151	Jan 2025 - Dec 2025	Zinc Ingots	Quarterly procurement	None
Purchases	595130	Jan 2025 - Dec 2025	Zinc Ingots	Quarterly procurement	None

4.7.3 Other Significant Contract: None.

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item	Year	2024	2023	Difference	
				Amount	%
Current Assets		466,915	491,015	(24,100)	(5.16)
Financial Assets		88,177	119,369	(31,192)	(35.37)
Property, Plant and Equipment		440,665	456,329	(15,664)	(3.55)
Investment Property		164,882	164,768	114	0.07
Other Assets		37,698	12,664	25,034	66.41
Total Assets		1,198,337	1,244,145	(45,808)	(3.82)
Current Liabilities		138,126	198,954	(60,828)	(44.04)
Other Liabilities		16,733	16,543	190	1.14
Total Liabilities		154,859	215,497	(60,638)	(39.16)
Capital Stock		806,945	806,945	0	0.00
Capital Surplus		18,038	18,038	0	0.00
Legal Reserve		96,497	96,497	0	0.00
Special Reserve		12,003	12,003	0	0.00
Retained earnings		38,175	(1,528)	39,703	104.00
Retained earnings		71,820	96,693	(24,873)	(34.63)
Total shareholders' equity		1,043,478	1,028,648	14,830	1.42
Liabilities & Equity		1,198,337	1,244,145	(45,808)	(3.82)

Explanation of Variations in Financial Ratios:

1. In 2024, the decrease in financial assets and other equity was mainly due to the liquidation of the TienPin joint shares.
2. The increase in other assets was due to the increase in equipment payable as a result of the retirement of equipment in 2024.
3. The decrease in current liabilities was due to an increase in profitable cash inflows in 2024 and the maturity of borrowings that were not renewed.
4. The increase in unappropriated earnings was due to the profit in 2024 and the sale of TienPin joint shares.

5.2 Analysis of Financial Performance

5.2.1 Analysis of Comprehensive Income Statement

Unit: NT\$ thousands

Item	Year	2024	2023	Difference	
				Amount	%
Total Operating Revenue		583,916	587,831	(3,915)	(0.67)
Less: Sales Returns		(5,688)	(1,146)	(4,542)	396.34
Sales Allowances		(578)	(137)	(441)	321.90
Operating Revenue, Net		577,650	586,548	(8,898)	(1.52)
Operating Cost		500,108	534,430	(34,322)	(6.42)
Gross Profit		77,542	52,118	25,424	48.78
Operating Expenses		61,217	58,190	3,027	5.20
Operating Income		16,325	(6,072)	22,397	(368.86)
Interest income		522	241	281	116.60
Other Income		6,622	6,046	576	9.53
Other Gains and Losses		(631)	(542)	(89)	16.42
Financial Costs		(2,901)	(3,144)	243	(7.73)
Share of Profit or Loss of Associates and Joint Ventures Accounted for Using Equity Method		(262)	(256)	(6)	2.34
Total Non-operating Income and Expenses		3,350	2,345	1,005	42.86
Profit (Loss) Before Tax		19,675	(3,727)	23,402	(627.90)
Income Tax Expense		(3,953)	615	(4,568)	(742.76)
Net Profit		15,722	(3,112)	18,834	(605.21)
Other Comprehensive Income		(892)	3,852	(4,744)	(123.16)
Total Comprehensive Income		14,830	740	14,090	1,904.05
Earnings per Share		0.19	(0.04)	0.23	(575.00)

Explanation of Variations in Financial Ratios:

1. The increase in sales return in 2024 was due to the increase in the number of returned products in 2024 due to the poor quality of outsourced pickling as a result of the replacement of pickling equipment.
2. The increase in operating profit and gross profit in 2024 was due to the decrease in the unit cost of goods sold as a result of the elimination of high-price raw materials on a yearly basis.
3. The increase in net income for the current period in 2024 was due to a decrease in cost of goods sold, an increase in gross profit on goods sold, and an increase in earnings.
4. The decrease in other comprehensive income for the period was due to the decline in the evaluation of the The Great Tainan Gas Corporation.

5.2.2 Analysis of Financial Ratio

Item	2024	2023	Change%	Explanation
Gross Profit Margin	13.42	8.89	-33.81%	Higher-priced inventory gradually sold off, subsequent purchases of raw materials and goods were at lower prices.
Inventory Turnover	2.04	2.10	2.84%	Explanation is omitted as the variation is less than 20%.
Accounts Receivable Turnover	3.69	3.28	-10.99%	Explanation is omitted as the variation is less than 20%.

5.3 Cash Flow

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year(1)	Cash and Cash Equivalents at Beginning of Year(2)	Estimated Cash Outflow(3)	Cash Surplus (1)+(2)-(3)	Remedy for Liquidity Shortfall	
				Investment Plan	Investment Plan
65,060	70,000	65,000	70,060	0	0
1. Analysis of cash flow deviation of current year: (1)NT\$70,000 thousand net cash generated by operating activities. (2)NT\$35,000 thousand net cash used in investing activities. (3)NT\$30,000 thousand net cash used in financing activities. 2. Remedy Measures of Inadequate Liquidity and analysis: Not applicable.					

5.4 Major Capital Expenditure Items: None.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year: The company has not made any investments in subsidiaries or associates.

5.6 The evaluation of risks by the Company:

01. Effects of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures:

Interest rate changes: The short-term securities held by the company with a maturity of up to three months have predetermined interest rates at the time of investment, and their holding period is very short (within 30 days). Therefore, the impact of market interest rate changes is minimal. Other borrowings are mainly for the procurement of raw materials and machinery necessary for operations. The loan amounts and interest can be adjusted in accordance with actual needs. As interest expenses are closely related to operational income, as long as borrowing and investment are managed securely, interest rate changes have no significant impact on the Company.

Exchange rate changes: The company responds to fluctuations in exchange rates based on the foreign currency situation at the time of order placement. Hedging derivative instruments are timely utilized for foreign currency orders, and imported materials are purchased through foreign currency loans, which are repaid or converted into Taiwanese dollars according to the exchange rate trend or hedged through derivative instruments. Overall, exchange rate changes do not have a significant impact on the company.

Inflation: The overall producer price index shows relatively low growth rates, and the consumer price index remains low. There is no significant inflation pressure. Therefore, inflation does not have a notable impact on the company.

02. Policies, main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions: The company has not engaged in other high-risk, high-leverage investments, lending or endorsements guarantees. The company's operations related to derivative financial instruments are limited to forward contracts, which have minimal impact.
03. Research and development projects in the recent year, current progress of unfinished research and development projects, additional research and development expenses required, expected time for completion of mass production, and key factors affecting success: None.

04. Effects of and response in the most recent fiscal year to changes in policies and regulations relating to corporate finance and sales: The company's financial operations are conducted in compliance with relevant laws and regulations, and there have been no significant effects on the company to date.
05. Effects of and response to changes in technology relating to corporate finance and sales: No significant effect.
06. The impact of changes in corporate image on corporate risk management, and the Company's response measures in the most recent year: Since the listing of our company's stock on the Taiwan Stock Exchange Corporation in the the fiscal year 2000, the company has consistently upheld the spirit of a listed company, fulfilled its social responsibilities, and sought to maximize the interests of all shareholders and employees.
07. Expected benefits from, risks relating to and response to merger and acquisition plans: None.
08. Expected benefits from, risks relating to and response to factory expansion plans: None.
09. Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration: None.
10. Effects of risks relating to and response to large share transfers or changes in shareholdings by directors or shareholders with shareholdings of over 10%: The company does not have any shareholders holding over 10% of the shares.
11. Effects of risks relating to and response to the changes in management rights: The ownership of shareholders, directors, and supervisors in the company is stable, and the risk of changes in management rights is minimal.
12. Litigation or non-litigation matters: The company has no litigation or non-litigation events
13. Other major risks and responses:
 - A. In 2024, the company's major raw material suppliers were approximately 47.91% domestic and 52.096% foreign, including India, the United Kingdom, Malaysia, etc. Even in the event of global international events, the supply of raw materials will not be affected. Therefore, the procurement of raw materials does not have an impact on the company.
 - B. Operating Revenue: The domestic customers of the company are not the most severely affected industry in this wave, and some semi-finished products that cannot be imported from abroad have turned to the company for raw material procurement. The company's foreign customers, as the products are all shipped and used as raw materials for basic construction in their respective countries, have not been affected in terms of delivery due to the current wave of the pandemic.
 - C. As the sources of raw material supply are relatively stable and the customer base is from industries less affected by the crisis, the company's production lines can still operate normally. Therefore, there is no impairment of related real estate, factory buildings, and equipment.

5.7 Other Important Items: None.

VI. Special Disclosure

6.1 Summary of Affiliated Companies

8.1.1 Basic Information of Affiliated Companies

Chia Ta World Co., Ltd.

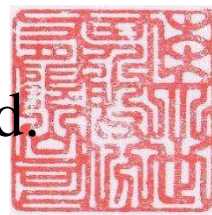
6.2 Private Placement Securities in the Most Recent Years: None.

6.3 Shares in the Company Held or Disposed by Subsidiaries in the Most Recent Years: None.

6.4 Other Supplementary Information to be Disclosed: None.

6.5 Until the Printing Date of the Annual Report, the Items That Have Great Impact on the Company's Shareholders' Interests or Stock Prices Which Related to Securities and Exchange Act Article 36 Paragraph 3 Section 2: None.

Chia Ta World Co., Ltd.



Chairman: Wu, Ta-He



May 12, 2025