

**Stock Code: 1517**

# **Lee Chi Enterprises Co., Ltd.**

## **2024 Annual Report**

**Annual Report available at: <http://mops.twse.com.tw/>**

**Company website: <http://www.leechi.com.tw>**

**The date of publication: May 13, 2025**

### 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 version and Chinese version, the Chinese version shall prevail.

I. Spokesperson information:

Spokesperson name	Lee, Yu-Cheng
Position	Manager of Management Department
Telephone	04-7382121
E-mail	gmoe@leechi.com.tw
Acting spokesperson:	Tsai, Fang-Chu
Position	Director of Finance Department
Telephone	04-7382121
E-mail	fint@leechi.com.tw

II. Address and telephone of headquarters and factory:

Headquarters address: No. 112, Section 1, Shipai Road, Shipai Village, Changhua City, Changhua County

Tel: 04-7382121

Nangang factory address: No. 8, Gongye South 5th Road, Nangang Industrial Park, Nantou City, Nantou County

Tel: 049-2255950

III. Agency handling shares transfer:

Name of agency handling shares transfer:	Stock Affairs Department, Grand Fortune Securities Co., Ltd.
Address	6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Telephone	02-2371-1658
Website	<a href="http://www.gfortune.com.tw/">http://www.gfortune.com.tw/</a>

IV. The certified public accountants who duly audited the annual financial report for the most recent fiscal year:

Name of the accounting firm	Deloitte & Touche, Taiwan
Name of certified public accountants	Liu, Li-Wei & Wang, Hsiang-Min
Address	22F, No. 88, Section 1, Huizhong Road, Xitun District, Taichung City
Telephone	04-3705-9988
Website	<a href="http://www.deloitte.com.tw">http://www.deloitte.com.tw</a>

V. The name of any exchanges where the Company's securities are traded offshore, and the method of accessing the information: not applicable

VI. Company website: <http://www.leechi.com.tw>

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# Chapter I. Letter to Shareholders

## **I. Forewords:**

In 2024, the bicycle industry faced multiple challenges; including inventory reduction is not as good as expected, rising cost pressures due to inflation, geopolitical risks, trade barriers accompanying supply chain adjustments, and the promotion of ESG sustainability. Due to the impact of geopolitical factors and trade barriers has caused customers to seek diversified sources of supply to mitigate the risk of supply chain disruptions, leading companies to gradually decentralize production bases to other regions to reduce tariff costs and be closer to the market. As a result, the bicycle supply chain has become more regionalized, but this has also introduced more uncertainties in operations.

Looking ahead to 2025, the bicycle industry has begun to emerge from the inventory adjustment phase, and market demand is expected to gradually recover. Nevertheless, the global economic remains uncertain, particularly due to factors such as the policies of the U.S. administration, monetary policies in various countries, geopolitical conflicts, and supply chain restructuring. In response, the industry must actively adjust inventory and production models, strengthen financial risk management, and intensify efforts toward ESG initiatives and sustainable development to prepare for future market competition. The Company is convinced of the philosophy "challenges bring transformation, and innovation ultimately leads to leaps forward." In the face of this period of industry adjustment, the Company has continued to promote various improvements while maintaining a solid operational foundation, and striving to return to a trajectory of stable growth as soon as possible, and to create long-term investment value for all shareholders.

## **II. Business Results in 2024:**

### **(I) Operating Results:**

The Company's 2024 consolidated net operating revenue is NT\$2,033,762 thousand, consolidated net loss after tax is NT\$92,121 thousand, net loss attributable to the parent company is NT\$92,804 thousand, and the basic loss per share is NT\$0.42.

In 2024, the Company adopted "stable order acceptances, maintaining growth, lean management, and continuous improvement" as the operating goals. To better align with changes to orders in the market, the Company continued to conduct necessary investments, enhancing its overall competitiveness through strengthened product innovation and promotion of ESG sustainability to maintain operational resilience and to seize opportunities in the subsequent economic recovery. The conducts include the following orientations:

1. **Regulations of Production Capacity:** In response to order changes, the Company frequented communication with clients on shipment status, made production capacity adjustments in a timely manner, Furthermore, in line with this wave of inventory adjustments, various production responses have been performed to avoid the impact of circumstances.
2. **Product Innovation:** The Company continuously reviewed the composition of our product lines, launched new products, and actively collaborated with customers on joint development. Furthermore, the Company continued its investment in high-end products, which contributed to the growth of gross profit and market share of the Company's product portfolio
3. **Operational Improvement:** The Company continuously reviewed and managed the operational efficiency of each business unit, ensuring effective financial control. Additionally, the Company planned investments in equipment, environmental health and safety, and facility improvements. As a result, operational efficiency showed improvement.
4. **Excellence in Management:** The Company proceeded with its verifications for various ISO management systems in conjunction with the introduction of ERP and HR management systems as means of its ongoing improvement over various operating procedures and strengthening of organizational communication and quality management.
5. **Promoting ESG Sustainability:** The Company established a Sustainability Development Committee, prepared a sustainability report, completed ISO-14064 carbon inventory, adopted environmentally friendly recycled materials and low-carbon production processes, and implemented various waste reduction initiatives. Additionally, the company focused on energy conservation and increasing the proportion of renewable energy usage, strengthened corporate social responsibility and corporate governance, and joined the ESG Alliance of the bicycle industry to jointly promote the formulation and implementation of ESG standards.
6. **Cross-Industry Cooperation:** By utilizing in-house engineering and manufacturing capabilities, the Company has sealed cross-industry cooperation and orders. Through cross-industry alliances, the Company continues to improve technological development and increase operational prospects, thereby seeking the possibility of reciprocal development.

**(II) 2024 Budget Execution Status:**

The Company did not plan a financial forecast for 2024, and its expenditure budget is controlled at a level of 10%.

**(III) Financial Position and Profitability Analysis:**

The Company has a sound financial structure, and 2024 Profitability Analysis based on the Consolidated Financial Statements shows that return on assets is -2.03%, return on equity is -2.44%, ratio of operating income to paid-in capital is -12.70%, ratio of profit before tax to paid-in capital is -5.50 %, profit margin before tax is -4.52 %, and basic loss per share attributable to the parent company is NT\$0.42.

**(IV) Research and Development Status:**

Completed the development of 168 new products, submitted 8 patent applications (including 8 utility model patents in Taiwan) , and was awarded 10 (including 10 utility model patents in Taiwan, note that one patent awarded by different countries is only calculated as one award).

**III.2025 Business Plan Outline:****(I) Sales Volume Forecast:**

Item	Expected Sales
Braking system:	
Brakes	2,000 thousand Pieces
Levers	1,000 thousand Pieces
Cable	2,000 thousand Pieces
Seat Post	2,000 thousand Pieces
Stem	3,000 thousand Pieces
Hub	700 thousand Pieces
Spare parts such as brake, seat post, stem, etc.	30,000 thousand Pieces

Note: The above figures are the Company's individual data.



**(II) Management Guidelines and Production and Sales Policies in 2025 are as follows:**

1. **“Moderating Operations and Actively Securing Orders”:** The bicycle industry is expected to gradually emerge from the inventory adjustment period, with market demand expected to stabilize. As inventory is cleared, the Company will readjust production capacity and strengthen communication with key customers. The Company is also aiming for more aggressive annual sales targets to secure new orders and prepare for the next wave of growth demand.
2. **“ Innovative Products and Smart Manufacturing”:** The Company continues to strengthen its collaborative relationships with well-known complete bicycle and component brands, developing new products together and establishing dedicated production lines. Additionally, with the development of AI technology, smart and electric bicycles are expected to be the future trend. The company is embracing this innovation, collaborating with customers on R&D, and planning to apply AI technology in product design, production, and sales processes to enhance efficiency and product quality.
3. **“ Brand Marketing for Enlarged Market Share”:** Through promoting our own brand "PROMAX" the sales of new products are expected to be driven, while collaborating with key channels to seize significant opportunities in the repair market. The Company continues to establish global repair and after-sales service points for the brand and expand online sales channels.
4. **“ Cross-Industry Collaborations and Active Transformation”:** In recent years, the Company has engaged in cross-industry collaborations to seek more development opportunities, whose results have been progressively evident. By undertaking cross-industry product orders, the Company may improve its manufacturing capabilities and in the meantime strengthen operation outlook for opportunities other than bicycle-related businesses.
5. **“ Talent Cultivation and Advocating Sustainability”:** As a means to lay foundation to the Company’s sustainable development, the Company continues to cultivate talents and improve employee benefits through increasing the organizational efficiency and fostering future development momentum. Additionally, in line with the global trend toward net-zero carbon emissions, the Company is actively assisting customers and the supply chain in achieving ESG sustainability goals, promoting the green transformation of the bicycle industry. he Company is committed to actively implementing carbon reduction measures and explore new models for future carbon credit implementation.

6. **“ Strategic Development and Active Deployment”**: Due to the impact of recent geopolitical factors, tariff protection, and trade barriers, the bicycle supply chain will strengthen its resilience, reduce the risk of disruptions, and mitigate tariff costs. This will further drive the regionalization of operations. The Company will promptly adjust its production layout and pursue strategic acquisitions in line with customer needs, in order to be closer to the market and enhance competitiveness.

#### **IV.Future Development Strategies and Effects by Industrial Circumstances:**

##### **(I) Future Development Strategies of the Company:**

1. **Concurrent development of own brand and OEM**: strengthen the innovation and R&D of bicycle products, meet consumer demand, provide cyclists with the best product experience and create product value, becoming an industry leading bicycle component supplier.
2. **Innovation of products and introductions of new materials and manufacturing processes on a sustained manner**: Besides continuing to implement the applications on bicycle components, pursue technological leadership, and extend the applications to related products such as electric cars, motor vehicles, 3C technologies, etc., to expand sales % on new business and new markets.
3. **Consolidate the Group’s resources, create production advantages**: become a world-class professional manufacturing plant, make the most of local resources, continue to consolidate the supply chain, take active actions in meeting customer demand, and build a production environment that meets the needs of customers.
4. **Stable profitability, sustainable operation**: pursue profitability and stable growth for the Company, increase operational efficiency, establish core competitiveness such as talent cultivation and corporate culture; through uniting the organization, inject quality culture, and implement operational sustainability.

##### **(II) Effects by external competitions, regulation and macroeconomic circumstances on the Company:**

1. The ongoing implementation of high tariff measures this year has intensified trade frictions among countries, further impacting the stability of global supply chains. This has led to disruptions or inefficiencies in supply chains, especially those previously optimized through globalized production and distribution. As a result, there is an

accelerated shift toward regionalized and market-proximate short supply chains. Production bases are being diversified across different regions to reduce reliance on a single market, such as mainland China. This trend is positioning the United States, Southeast Asia, and Mexico as key hubs in the restructuring of global supply chains.

2. As climate change becomes increasingly severe, governments and consumers around the world are placing greater emphasis on environmental protection. Bicycles, as zero-emission alternatives to fuel-powered vehicles, have emerged as an important option for reducing carbon footprints, with demand expected to continue growing. However, climate change has also contributed to more frequent extreme weather events, which may affect consumers' willingness to ride. Consequently, such extreme weather could intensify seasonal fluctuations in bicycle sales—for example, during periods of extreme heat, heavy rain in summer, or unusually heavy snowfall in winter, sales may be negatively impacted.
3. Due to global climate change and the worldwide push for net-zero emissions and carbon neutrality, "green inflation" is expected to put pressure on Taiwan's manufacturing-driven industries. In addition, high inflation has made rising prices a norm. Combined with challenges such as declining birth rates and labor shortages, as well as rising wages and raw material costs, these manufacturing bottlenecks are squeezing profit margins and posing significant challenges for industries that rely on stable production.
4. Due to inflation and a high interest rate environment, consumer purchasing power has declined, leading to signs of consumption downgrade and even stagflation. As a result, consumers may prefer lower-priced products or delay their purchases. This trend has weakened demand in the mid- to low-end bicycle market, and close attention must be paid to future sales performance and inventory reduction.
5. In recent years, government policies worldwide have increasingly supported green transportation. With advancements in battery technology and growing consumer demand for eco-friendly modes of transport, high-end and electric-assisted bicycles (E-BIKE) have seen rapid development, emerging as a new driver of industry growth. Furthermore, the integration of bicycles with AI technology and the Internet of Things (IoT) is expected to spur further innovation, presenting yet another opportunity for the industry to expand.

6. Under the global trend of promoting Environmental, Social, and Governance (ESG) principles, the bicycle industry is encountering both significant challenges and new opportunities. The industry must proactively respond to customer expectations that encompass various aspects, including environmental protection, social responsibility, and corporate governance. This requires driving ESG transformation and establishing a green supply chain. However, it also results in increased costs associated with governance and implementation, such as management improvements, the adoption of renewable energy, and the use of recycled aluminum.

With the above internal and external changes and impacts, the Company strongly believes that challenges are definitely accompanied with opportunities. Through strong management and continuous advancement, we will grasp market demand to reflect our sales & operations. The Company is optimistic of its future development, and will continue to achieve great performance in return for the support of the shareholders. We earnestly request every shareholder to continue to support us, for the continued growth of the Company. Thank you!

We wish you all good fortune and great health.

Chairman: Lin, Yu-Hsin

President: Lin, Yi-Hsien

Accounting Manager: Tsai, Fang-Chu

## Chapter II. Corporate Governance Report

### I. Information on the Company's directors, supervisors, president, vice presidents, senior managers, and the supervisors of all the Company's departments and branch units

#### (I) Information on Directors

##### 1. Director

April 28, 2025

Title	Nationality or place of registration	Name	Gender Age (Note 2)	Date Elected	Term of office	Date First Elected (Note 3)	Shareholding When Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in Nominee		Major Experience (Education) (Note 4)	Other Position Concurrently Held at the Company or Other Companies	Managers, Supervisors or Directors Held by a Spouse, or First or Second Degree Relative			Remark (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Lin, Yu-Hsin	Male 41-50	2023.6.21	3	2014.6.19	13,298,760	5.89%	13,328,760	5.90%	0	0%	1,407,000	0.62%	Carnegie Mellon University Electrical and computer engineering Master in electronic engineering	1.Chairman 2.Independent Director of Keelgoal Energy Co., Ltd	President	Lin, Yi-Hsien	Sister and brother	None
Director	R.O.C.	Lin, Yi-Hsien	Female 51-60	2023.6.21	3	2002.06.26	9,190,036	4.07%	9,190,036	4.07%	0	0%	0	0%	Department of Accounting, National Taiwan University	President	Chairman	Lin, Yu-Hsin	Sister and brother	None
Director (Note 1)	R.O.C.	Ko Fu Investment Co., Ltd.	Male 61-70	2023.6.21	3	2014.6.19	1,407,000	0.62%	1,407,000	0.62%	0	0%	0	0%	Department of Industrial Engineering, Feng Chia University	Senior Manager of the Company	None	None	None	None
		Representative: Chu, Ming-Yang					-	-	0	0%	0	0%	0	0%						
Director (Note 1)	R.O.C.	Ko Fu Investment Co., Ltd.	Male 41-50	2023.6.21	3	2023.6.21	1,407,000	0.62%	1,407,000	0.62%	0	0%	0	0%	Department of Financial And Economic Law, Chung Yuan Christian University	Management Manager of the Company and spokesperson	None	None	None	None
		Representative: Lee, Yu-Cheng					717,000	0.32%	717,000	0.32%	0	0%	0	0%						
Independent Director	R.O.C.	Chen, Kuei-Tuan	Male 71-80	2023.6.21	3	2017.6.12	0	0%	0	0%	0	0%	0	0%	1.Professor, Head of the Accounting Department and Director of the Graduate Institute of Accounting and Taxation at Feng Chia University	1.Certified Public Accountant at EnWise CPAs & Co. 2.Independent Director of Chumpower Machinery Corporation.	None	None	None	None

Title	Nationality or place of registration	Name	Gender Age (Note 2)	Date Elected	Term of office	Date First Elected (Note 3)	Shareholding When Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding in Nominee		Major Experience (Education) (Note 4)	Other Position Concurrently Held at the Company or Other Companies	Managers, Supervisors or Directors Held by a Spouse, or First or Second Degree Relative			Remark (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	Chen, Kuei-Tuan	Male 71-80	2023.6.21	3	2017.6.12	0	0%	0	0%	0	0%	0	0%	2.Legislative assistant in the Budget Group of the Legislative Consultation Center of the Legislative Yuan - passed the Class A government functionary examination as an accounting auditor 3.Adjunct Professor in the Graduate Institutes of Accounting of National Chung Hsing University, Tunghai University and Providence University 4.Independent Director of CHC Healthcare Group 5.Supervisor of Feng Chia University	3.Director of Swancor International Investment Holdings Co., Ltd 4.Director of Central Taiwan University of Science and Technology, Supervisor of Ling Tung University. 5.Independent Director, Remuneration Committee Member , and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd	None	None	None	None
Independent Director	R.O.C.	Chen, Yung-Hsueh	Female 61-70	2023.6.21	3	2017.6.12	40,462	0.02%	40,462	0.02%	100,000	0.04%	0	0%	Senior Manager of Asian Banks, Vice President of DBS Bank	Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Ma, Hui-Chen	Female 51-60	2023.6.21	3	2017.6.12	0	0%	0	0%	0	0%	0	0%	1.KPMG Audit Assistant Manager 2.Assistant Manager of COTA Commercial Bank 3.Director and Supervisor of Shih-Kuen Plastic Co., Ltd. 4.Director of Jie-Ya Co., Ltd.	1.Chief Operating Officer of Eternal On CPAs 2.Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd.	None	None	None	None

Note 1: For legal person shareholders, the names of legal person shareholders and their representatives should be listed separately (if they are representatives of legal person

shareholders, the names of legal person shareholders should be indicated).

Note 2: Please list the actual age. The actual age can be presented in intervals.

Note 3: Fill in the date when first elected as a director or supervisor of the company. If there is an interruption between terms, it should be annotated.

Note 4: Experience relevant to the current position. If the director worked in the certifying CPA firm appointed by the company or an affiliated company during the aforementioned period, the title and position held shall be stated

Note 5: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directors while having no more than half of the directors serve concurrently as employees or managers).

Explanation: In order to implement corporate governance and strengthen the organization and operation of the group, the company passed a resolution of the board of directors on August 7, 2023. The chairman of the board was relieved of his position as general manager on August 8, 2023, and Deputy General Manager Lin Yi-Hsien was promoted to general manager to assist in the company's operational strategies and Business promotion.

Note 6: The Company has set up an audit committee since June 12, 2017, so information on supervisors is not applicable.

### Principal Shareholders of Institutional Shareholders

April 28, 2025

Name of Corporate Shareholders (Note 1)	Principal Shareholders of Institutional Shareholders
Ko Fu Investment Co., Ltd.	Lin, Yu-Hsin (99.9%); Lin Yu-Sheng (0.1%)

Note 1: As shown above, if the main shareholder is a legal person, the name of the legal person should be filled in.

Note 2: The name of the main shareholder of the legal person (its shareholding ratio accounts for the top ten) and its shareholding ratio should be filled in.

## Information on directors and independent directors

### 1. Professional Qualification of Directors and Independence of Independent Directors

Requirements Name	Professional Qualification and Experience (Note 1)	Independence (Note 2)	Number of other public companies in which the person holds a concurrent position as an independent director
Chairman Lin, Yu-Hsin	1.Expertise: Business management, leadership and decision-making, and information technology 2.Education: Master in electronic engineering, Carnegie Mellon University Electrical and computer engineering 3.Main position held: Chairman of the Company 4.Position currently held: Independent Director of Keelgoal Energy Co., Ltd 5.Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.	Not applicable	1
Director Lin, Yi-Hsien	1.Expertise: Business management, finance and accounting, and tax planning 2.Education: Department of Accounting, National Taiwan University 3.Main position held: President of the Company Corporate Governance Officer of the Company 4.Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.	Not applicable	0
Director Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang	1.Expertise: Operating judgments, innovative strategies, communication and coordination, and mechanical engineering 2.Education: Department of Industrial Engineering, Feng Chia University 3.Main position held: Senior Manager of the Company 4.Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.	Not applicable	0
Director Representative of Ko Fu Investment Co., Ltd.: Lee, Yu-Cheng	1. Expertise: Industrial business analysis, risk management and decision-making, legal compliance strategy and sustainable promotion. 2. Education: Department of Financial And Economic Law, Chung Yuan Christian University 3. Main position held: (1)Director of Legal Office of Lee Chi enterprises Co., Ltd. (2) Director of the General Manager Office of Lee Chi enterprises Co., Ltd. (3) Landlord, real estate agent 4. Position currently held:Management Manager of the Company amd spokesperson 5. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.	Not applicable	0



Requirements Name	Professional Qualification and Experience (Note 1)	Independence (Note 2)	Number of other public companies in which the person holds a concurrent position as an independent director
Independent Director Chen, Kuei-Tuan	<p>1. Expertise: Education, economics, finance and law</p> <p>2. Education: PhD in Economic Law, China University of Political Science and Law, Master of Public Finance, National Chengchi University</p> <p>3. Other main position held and experience:</p> <p>(1) Professor, Head of the Accounting Department and Director of the Graduate Institute of Accounting and Taxation at Feng Chia University and Adjunct Professor in the Graduate Institutes of Accounting of National Chung Hsing University, Tunghai University and Providence University</p> <p>(2) Legislative assistant in the Budget Group of the Legislative Consultation Center of the Legislative Yuan - passed the Class A government functionary examination as an accounting auditor</p> <p>(3) Independent Director of CHC Healthcare Group</p> <p>(4) Supervisor of Feng Chia University</p> <p>4. Position currently held:</p> <p>(1) Certified Public Accountant at EnWise CPAs &amp; Co.</p> <p>(2) Independent Director of Chumpower Machinery Corporation</p> <p>(3) Director of Swancor International Investment Holdings Co., Ltd.</p> <p>(4) Director of Central Taiwan University of Science and Technology, Supervisor of Ling Tung University.</p> <p>(5) Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd.</p> <p>5. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.</p>	<p>1. Mr. Chen, his spouse or relative within the second degree of kinship are not a director, a supervisor or an employee of the company or any of its affiliates.</p> <p>2. Mr. Chen, his spouse or relative within the second degree of kinship (or held by Mr. Chen under others' names) do not hold shares of the Company.</p> <p>3. Mr. Chen has not been the director, supervisor or employee of specific related companies (refer to Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. No compensation was paid to Mr. Chen for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.</p>	1

Requirements Name	Professional Qualification and Experience (Note 1)	Independence (Note 2)	Number of other public companies in which the person holds a concurrent position as an independent director
Independent Director Chen, Yung-Hsueh	1. Expertise: Financial industry, economics and law 2. Education: Department of Law, National Taiwan University 3. Other main position held and experience: Senior Manager of Asian Banks, Vice President of DBS Bank 4. Position currently held: Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd. 5. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.	1. Ms. Chen, her spouse or relative within the second degree of kinship are not a director, a supervisor or an employee of the company or any of its affiliates. 2. Ms. Chen, her spouse or relative within the second degree of kinship (or held by Mr. Chen under others' names) hold 140,462 shares, which is 0.06% of the Company's shares. 3. Ms. Chen has not been the director, supervisor or employee of specific related companies (refer to Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. No compensation was paid to Ms. Chen for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.	0
Independent Director Ma, Hui-Chen	1. Expertise: Finance and accounting, tax planning and financial business 2. Education: Department of Accounting, National Taiwan University 3. Other main position held and experience: (1) KPMG Audit Assistant Manager (2) Assistant Manager of COTA Commercial Bank (3) Director and Supervisor of Shih-Kuen Plastic Co., Ltd. (4) Director of Jie-Ya Co., Ltd. 4. Position currently held: (1) Chief Operating Officer of Eternal On CPAs (2) Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd. 5. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.	1. Ms. Ma, her spouse or relative within the second degree of kinship are not a director, a supervisor or an employee of the company or any of its affiliates. 2. Ms. Ma, her spouse or relative within the second degree of kinship (or held by Ms. Ma under others' names) do not hold shares of the Company. 3. Ms. Ma has not been the director, supervisor or employee of specific related companies (refer to Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. No compensation was paid to Ms. Ma for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.	0

## 2. Diversity policy and Independence of the Company's Board

(1) Diversity policy of the Company's Board: In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company regulates the composition of the Board of Directors and formulates a policy of diversification, fully considering various aspects of diversification such as operational management, leadership and decision-making, industry knowledge, finance and accounting, legal, and environmental protection.

Relevant implementation status of the Company's diversity policy is as follows:

Core Diversification Items  
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※The nationalities of the above directors are all of the Republic of China.

(2) Independency of the Company's Board: The election of directors of the company adopts the "candidate nomination system". The candidates for director are nominated and examined for eligibility by the Board of Directors. Upon resolution by the Board of Directors, the candidates are submitted to the shareholders' meeting for election.

### A. Basic Composition:

The Company currently has 7 board members (including 3 independent directors), all of

which are from the Republic of China. The composition of the board is 3 independent directors accounting for 43%, and 4 directors with concurrent employee status account for 57%. Three of the board members have the qualification of Certified Public Accountant of the R.O.C., and one of the independent directors has legal expertise. The board members have rich experience, professional knowledge and skills in the fields of finance, law, business and management, and are independent.

All independent directors have served no more than 3 consecutive terms.

The age distribution of directors includes 2 directors aged 31-50, 4 directors aged 51-70 and 1 director aged over 71.

- B. The Company also pays attention to gender equality in the composition of the Board of Directors, with a target ratio of 50%. The current board members include 3 female directors (2 of which are independent directors), and the ratio of female directors is as high as 43%. In the future, the Company will continue to work towards the goal of gender equality in the composition of female directors.

Note 1: Professional Qualification and Experience: Specify the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience shall be specified. In addition, indicate whether there were no circumstances described in subparagraphs under Article 30 of the Company Act.

Note 2: The independence of independent directors shall be specified, including but not limited to whether they, their spouses, or relatives within the second degree of kinship act as directors, supervisors or employees of the company or any of its affiliates; the number and proportion of the company's shares held by them, their spouses or relatives within the second degree of kinship (or held by them under others' names); whether they have acted as directors, supervisors or employees of specific related companies (refer to Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of compensation paid to them for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.

**(II) Information on President, Vice Presidents, Senior Managers, and Supervisors of All the Company's Divisions and Branch Units**

April 28, 2025

Title	Nationality	Name	Gender	Inauguration date	Shareholding		Spouse & Minor Shareholding		Shareholding in Nominee		Major Experience (Education)	Other position concurrently held at the other companies	Managers Held by a Spouse, or First or Second Degree Relative			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	R.O.C.	Lin, Yi-Hsien	Female	2023.08.08	9,190,036	4.07%	0	0	0	0	National Taiwan University Department of Accounting	N/A	N/A	N/A	N/A	N/A
Senior Manager	R.O.C.	Chu, Ming-Yang	Male	2001.01.03	0	0	0	0	0	0	Feng Chia University Department of Industrial Engineering	N/A	N/A	N/A	N/A	N/A
Director of Finance Department (serving dual roles as the Director of Finance and Accounting)	R.O.C.	Tsai, Fang-Chu	Female	2023.08.08	14,360	0.01%	0	0	0	0	Master of Management from National Changhua University of Education.	N/A	N/A	N/A	N/A	N/A

II. Remuneration paid during the most recent fiscal year to directors (including independent directors), supervisors, the president, and vice presidents

(I) Remuneration of directors, supervisors, the president and vice presidents (individual disclosure of names and remuneration methods)

1. Remuneration of general directors and independent directors

Unit: NT\$ 1,000

Title	Name	Remuneration								Total amount and ratio of total compensation (A+B+C+D) to net income (%) (Note 10)		Relevant Compensation Received by Directors who are Also Employees								Total amount and ratio of total compensation (A+B+C+D+E+F+G) to net income (%) (Note 10)		Compensation from the Group's Invested Companies Other than the Group's Subsidiaries(Note 11)		
		Base Compensation (A) (Note 2)		Severance pay and pension (B)		Directors' remuneration(C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)								
		The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Consolidated Financial Statements (Note 7)	The Company		All Companies in the Consolidated Financial Statements (Note 7)		The Company	All Companies in the Consolidated Financial Statements (Note 7)			
																		Cash	Stock	Cash	Stock			
Director	Lin, Yu-Hsin	0	0	0	0	0	0	15	15	15 -0.016%	15 -0.016%	2,959	2,959	0	0	0	0	0	0	0	0	2,974 -3.205%	2,974 -3.205%	None
Director	Lin, Yi-Hsien	0	0	0	0	0	0	15	15	15 -0.016%	15 -0.016%	2,264	2,264	55	55	0	0	0	0	0	0	2,334 -2.515%	2,334 -2.515%	None
Director	Ko Fu Investment Co., Ltd. Representative: Chu, Ming-Yang	0	0	0	0	0	0	15	15	15 -0.016%	15 -0.016%	0	0	0	0	0	0	0	0	0	0	15 -0.016%	15 -0.016%	None
Director	Ko Fu Investment Co., Ltd. Representative: Lee, Yu-Cheng	0	0	0	0	0	0	15	15	15 -0.016%	15 -0.016%	0	0	0	0	0	0	0	0	0	0	15 -0.016%	15 -0.016%	None
Independent Director	Chen, Kuei-Tuan	360	360	0	0	0	0	15	15	375 -0.404%	375 -0.404%	0	0	0	0	0	0	0	0	0	0	375 -0.404%	375 -0.404%	None
Independent Director	Chen, Yung-Hsueh	360	360	0	0	0	0	15	15	375 -0.404%	375 -0.404%	0	0	0	0	0	0	0	0	0	0	375 -0.404%	375 -0.404%	None
Independent Director	Ma, Hui-Chen	360	360	0	0	0	0	15	15	375 -0.404%	375 -0.404%	0	0	0	0	0	0	0	0	0	0	375 -0.404%	375 -0.404%	None
1. Please state the policy, system, standard and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors: (1) According to the Articles of Association of the Company, the Board of Directors is authorized to determine the remunerations for all directors based on the degree of their participation in and contribution to the operations of the Company, and referred at a rate not exceeding the general practices in the industry. The Board of Directors may claim transportation expenses based on actual expenditure. If the Company is profitable, no more than 2% shall be allocated as remuneration for directors. (2) The independent directors of the Company all serve as members of the Audit Committee and the Remuneration Committee, participate in the discussions and resolutions of relevant committee meetings, and the performances are evaluated by the Board of Directors (including Board of Directors, board members, and functional committees) every year. (3) The remuneration for independent directors means the remuneration paid (A) as monthly salary to independent directors and remuneration committee members; business execution expenses (D) for travel expenses actually received. 2. Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial statement (e.g., serving as a non-employee consultant, etc.) in the most recent year: None																								

Table of Remuneration Range

Range of Remuneration paid to Directors	Names of Directors			
	Total of (A+B+C+D)		The total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) I
Under NT\$1,000,000	Lin, Yu-Hsin; Lin, Yi-Hsien Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang Lee, Yu-Cheng Independent Director Chen, Kuei-Tuan, Chen, Yung-Hsueh, Ma, Hui-Chen	Lin, Yu-Hsin; Lin, Yi-Hsien Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang Lee, Yu-Cheng Independent Director Chen, Kuei-Tuan, Chen, Yung-Hsueh, Ma, Hui-Chen	Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang Lee, Yu-Cheng Independent Director Chen, Kuei-Tuan, Chen, Yung-Hsueh, Ma, Hui-Chen	Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang Lee, Yu-Cheng Independent Director Chen, Kuei-Tuan, Chen, Yung-Hsueh, Ma, Hui-Chen
NT\$1,000,000 – NT\$2,000,000	—	—	—	—
NT\$2,000,000 – NT\$3,499,999	—	—	Lin, Yu-Hsin, Lin, Yi-Hsien	Lin, Yu-Hsin, Lin, Yi-Hsien
NT\$3,500,000 – NT\$4,999,999	—	—	—	—
NT\$5,000,000 – NT\$9,999,999	—	—	—	—
NT\$10,000,000 – NT\$14,999,999	—	—	—	—
NT\$15,000,000 – NT\$29,999,999	—	—	—	—
NT\$30,000,000 – NT\$49,999,999	—	—	—	—
NT\$50,000,000 – NT\$99,999,999	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	7	7	7	7

Note 1: The names of directors should be listed separately (the names of legal person shareholders and representatives should be listed separately), general directors and independent directors should be listed separately, and the payment amounts should be disclosed in a summary manner. If a director is also the president or vice president.

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salaries, duty bonuses, severance pay, various bonuses, incentives, etc.).

Note 3: Refers to the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to the director's relevant business execution expenses in the most recent year (including travel expenses, extraordinary charges, various allowances, dormitories, car allocation, cash offer etc.). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.

Note 5: Refers to the remuneration received by the director, who is also an employee (including the president, vice president, other manager and employee) in the most recent year,

including salary, duty bonus, severance pay, bonuses, incentive fees, travel expenses, special expenses, allowances, accommodation, company car paid or offered or other cash offer. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Any salary listed under IFRS 2 Share-Based Payment, including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in remuneration.

Note 6: Refers to the employee remuneration (including stocks and cash) received by a director, who is also an employee (including the president, vice president, other manager, and employee) in the most recent year, and the amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year.

Note 7: Total remuneration paid to the Company's directors by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 8: The name of the director to whom the total remuneration is paid by the Company shall be disclosed in the corresponding remuneration range.

Note 9: The name of the director to whom the total remuneration is paid by all companies (including the Company) listed in the consolidated financial statements shall be disclosed in the corresponding remuneration range.

Note 10: Net income after tax refers to that in the latest parent-only or individual financial statements.

Note 11: a. Remuneration received by the director of the Company from invested companies other than subsidiaries or parent company shall be specified (If no, please fill in with "None").

b. If the director of the Company receives remuneration from invested companies other than subsidiaries or parent company, the remuneration received by the director of the Company from invested companies other than subsidiaries or parent company shall be included in Column I in the Remuneration Range Table, and the column heading shall be changed to "Parent Company and All Invested Companies".

c. Remuneration in this case refers to remuneration, bonuses (including employee, director, or supervisor bonuses), and allowances received by the directors of the Company as the directors, supervisors, or managerial officers of invested companies other than subsidiaries or parent company.

\* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure, not taxation



## 2. Remuneration to the President and Vice Presidents

Unit: NT\$ Thousand

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonus and special expenses, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Total amount and ratio of total compensation (A+B+C+D) to net income (%) (Note 8)		Compensation paid to the president and vice presidents from an invested company other than the Company's subsidiaries or parent company (Note 9)
		The Company	All Companies in the Consolidated Financial Statements (Note 5)	The Company	All Companies in the Consolidated Financial Statements (Note 5)	The Company	All Companies in the Consolidated Financial Statements (Note 5)	The Company		All Companies in the Consolidated Financial Statements (Note 5)		The Company	All Companies in the Consolidated Financial Statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	Lin, Yi-Hsien	1,790	1,790	55	55	473	473	0	0	0	0	2,318 -2.498%	2,318 -2.498%	None

Table of Remuneration Range

Range of Remuneration paid to President and Vice Presidents	Name of President and Vice Presidents	
	The Company (Note 6)	All Companies in the Consolidated Financial Statements (Note 7) E
Under NT\$1,000,000	—	—
NT\$1,000,000 – NT\$2,000,000	—	—
NT\$2,000,000 – NT\$3,499,999	Lin, Yi-Hsien	Lin, Yi-Hsien
NT\$3,500,000 – NT\$4,999,999	—	—
NT\$5,000,000 – NT\$9,999,999	—	—
NT\$10,000,000 – NT\$14,999,999	—	—
NT\$15,000,000 – NT\$29,999,999	—	—
NT\$30,000,000 – NT\$49,999,999	—	—
NT\$50,000,000 – NT\$99,999,999	—	—
Over NT\$100,000,000	—	—
Total	1	1

\*Regardless of title, all positions equivalent to president or vice president should be disclosed.

Note 1: The names of the president and vice presidents should be listed separately, and the payment amounts should be disclosed in a summary manner. If a director is also the president or vice president.

Note 2: Salary, job allowance, and severance pay paid to the president and vice presidents in the most recent fiscal year.

Note 3: Bonuses, incentive fees, travel expenses, special expenses, allowances, accommodation, and company car paid or offered to the president and vice presidents in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Any salary listed under IFRS 2 Share-Based Payment, including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in remuneration.

Note 4: Fill in with the employee remuneration (including stocks and cash) received by a director as the president and vice president assigned by the Board of Directors in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year. Net income refers to that for the most recent fiscal year; if the IFRS are adopted, net income refers to that in the latest parent-only or individual financial statements.

Note 5: Total remuneration paid to the Company's president and vice presidents by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 6: The name of the president or vice presidents to whom the total remuneration is paid by the Company shall be disclosed in the corresponding remuneration range.

Note 7: The name of the president or vice presidents to whom the total remuneration is paid by all companies (including the Company) listed in the consolidated financial statements shall be disclosed in the corresponding remuneration range.

Note 8: Net income refers to that for the most recent fiscal year; where the IFRS Standards are adopted, net income refers to that in the latest parent-only or individual financial statements.

Note 9: a. Remuneration received by the president and vice presidents of the Company from invested companies other than subsidiaries or parent company shall be specified (If no, please fill in with "None").

b. If the president and vice presidents of the Company receive remuneration from invested companies other than subsidiaries or parent company, the remuneration received by the president and vice presidents of the Company from invested companies other than subsidiaries or parent company shall be included in Column E in the Remuneration Range Table, and the column heading shall be changed to "All Invested Companies."

c. Remuneration in this case refers to remuneration, bonuses (including employee, director, or supervisor bonuses), and allowances received by the president and vice presidents of the Company as the directors, supervisors, or managerial officers of invested companies other than subsidiaries or parent company.

\* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure, not taxation.

**3. TWSE/TPEX listed companies that meet the conditions specified in Article 10, Paragraph 3, Item 2, Sub-item 1 or 5 of these Standards should disclose the compensation of the top five highest-paid executives individually:**

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 6)		Remuneration from ventures other than subsidiaries or from the parent company (Note 7)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Lin, Yi-Hsien	1,790	1,790	55	55	473	473	0	0	0	0	2,318 -2.498%	2,318 -2.498%	None
Senior Manager	Chu, Ming-Yang	1,322	1,322	117	117	82	82	0	0	0	0	1,521 -1.639%	1,521 -1.639%	None
Director of Finance Department	Tsai, Fang-Chu	823	823	75	75	81	81	0	0	0	0	979 -1.055%	979 -1.055%	None

Note 1: Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note 2: Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note 3: Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 4: Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

Note 5: The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed.

Note 6: The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note 7: a.Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b.The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

\* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

**(II) Recipients and Status of Employee Compensation Paid to Managers**

December 31, 2024

	Position (Note 1)	Name (Note 1)	Stock	Cash	Total	Ratio of Total Compensations to the Net Profit After Tax (%)
Manager	President	Lin, Yi-Hsien	0	0	0	0
	Senior Manager	Chu, Ming-Yang				
	Director of Finance Department	Tsai, Fang-Chu				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary manner.

Note 2: Fill in with the employee remuneration (including stocks and cash) received by a managerial officer assigned by the Board of Directors in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year. Net income refers to that for the most recent fiscal year; where the IFRS Standards are adopted, net income refers to that in the latest parent-only or individual financial statements.

Note 3: The scope of application for managerial officer is stipulated in accordance with TCZSZ No. 0920001301 dated March 27, 2003. The scope is as follows:

- (1) President and equivalent
- (2) Vice president and equivalent
- (3) Senior manager and equivalent
- (4) Head of finance department
- (5) Head of accounting department
- (6) Other persons who have the right to manage affairs and sign for the company

Note 4: If the director, president, or vice president receive employee compensation (including stocks and cash), this table shall also be filled in.

(III) Separate Comparisons and Descriptions of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company-only Financial Reports or Individual Financial Reports, as Paid by the Company and All Other Companies Included in the Consolidated Financial Statements During the Past 2 Fiscal Years to Directors, Supervisors, the President, and Vice Presidents, with Analysis and Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Link.

1. Separate Comparisons and Descriptions of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company-only Financial Reports or Individual Financial Reports, as Paid by the Company and All Other Companies Included in the Consolidated Financial Statements: -3.8% in 2023; -6.96% in 2024.
2. The Company shall withdraw the employees' remuneration and directors' remuneration from the current year's pre-tax benefits before deduction of the distributed employees' remuneration and directors' remuneration in accordance with the articles of association. the company makes no profit in 2023 and 2024, the remuneration of directors and employees will not be distributed. directors' remuneration is used to pay independent directors' fixed remuneration and business execution expenses and to pay directors' travel expenses.
3. The Company's policy for directors' remuneration is handled based on the provisions of Article 18 and Article 23 of the Company's Articles of Association. The remuneration of the president and vice presidents is handled in accordance with the Company's salary payment standards; the Remuneration Committee will make verification and review of the payment according to individual performance appraisals and market trends, and the remuneration will be adopted by the Board of Directors.

The Company Article 18: The Board of Directors is authorized to determine the remunerations for all directors based on the degree of their participation in and contribution to the operations of the Company, and referred at a rate not exceeding the general practices in the industry. The Board of Directors may claim transportation expenses based on actual expenditure. The Board of Directors shall, in accordance with Articles 23, distribute remuneration in the event of profits.

The Company Article 23: If the Company has gained profits within a fiscal year, 2% to 10% of the profits shall be reserved as the employees' compensation, and the Board of Directors shall decide whether to distribute in the form of shares or in cash. The compensation applies to employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company may, upon resolution by the Board of Directors, reserve not more than 2% of the above profit as directors' remuneration. Proposals for the distribution of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting. In case of accumulated loss, the Company shall reserve a specific amount to make up for losses before distributing employees' compensation and directors' remuneration according to aforementioned ratios.

### III. The state of the Company's implementation of corporate governance

#### (I) Information on the operation of the Board of Directors:

The Board of Directors met 5 times in the most recent year (A), and the attendance of directors and supervisors is as follows:

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A) (Note 2)	Note
Chairman	Lin, Yu-Hsin	5	0	100%	—
Director	Lin, Yi-Hsien	5	0	100%	—
Director	Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang	5	0	100%	—
Director	Representative of Ko Fu Investment Co., Ltd.: Lee, Yu-Cheng	5	0	100%	—
Independent Director	Chen, Kuei-Tuan	5	0	100%	—
Independent Director	Chen, Yung-Hsueh	5	0	100%	—
Independent Director	Ma, Hui-Chen	5	0	100%	—

Other matters:

I. In the operation of the Board of Directors, any of the following matters shall be specified with meeting date, session, subject of discussion, opinions of all Independent Directors, and the Company's response to the opinions:

(I) Matters required by Article 14-3 of the Securities and Exchange Act:

Date of Board Meeting (session)	Subject of Discussion	Opinions of all Independent Directors, and the Company's response to the opinions:
March 14, 2024 (1st in 2024)	1. Review the capital loan and increase the loan limit of the US subsidiary. 2. Review of accounts receivable of U.S. subsidiaries that exceed the normal credit period is regarded as financing. 3. Review the qualifications of the certified public accountants and assess their independence and competency with reference to the Audit Quality Indicators (AQIs). 4. Review the appointment of visa accountants.	All the independent directors present had no adverse or qualified opinion; the proposals were approved with no objection by all the directors present
May 10, 2024 (2nd in 2024)	1. Review the capital loan and the loan limit of the US subsidiary. 2. Review applications for short-term comprehensive quotas and derivative financial product transaction quotas from financial institutions.	

August 9, 2024 (3rd in 2024)	1. Review the capital loan and the loan limit of the US subsidiary. 2. Review of accounts receivable of U.S. subsidiaries that exceed the normal credit period as financing facilities.	Same as previous page
November 11, 2024 (4th in 2024)	1. Review the loan limit of the capital loan and Sun Company Yinglong Company and the American subsidiary. 2. Review of accounts receivable of U.S. subsidiaries that exceed the normal credit period as financing facilities.	
December 17, 2024 (5th in 2024)	1. Review the capital loan and the loan limit of the US subsidiary. 2. Review applications from financial institutions for short-term turnover guaranteed loan lines and guaranteed credit lines for the issuance of commercial promissory notes.	

(II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None

II. Regarding recusals of Directors due to conflicts of interests, the names of the Directors, subject of discussion, reasons for recusal, and results of voting shall be specified:

On December 17, 2024, the board of directors discussed and reviewed the 2024 manager year-end bonus cases. Four concurrently employees, Director Lin, Yu-Hsin, Director Lin, Yi-Hsien, Director Chu, Ming-Yang, and Director Lee, Yu-Cheng, left the meeting in accordance with the law to avoid the discussion and voting.

The voting result was adopted without objection.

III. The Company disclosed information such as the evaluation cycle and period, evaluation scope, method, and evaluation content of the Board of Directors' self (or peer) evaluation.

Implementation Status of Evaluation on Board Meetings:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content (Note)
Annually	Evaluation of the performance of the Board of Directors from January 1, 2024 to December 31, 2024	Performance evaluation of the Board of Directors, individual board members and functional committee members	Performance evaluation through internal self-evaluation of the Board of Directors, self-evaluation of board members, and peer evaluation methods	Implemented according to the Company's "Board of Directors Self-evaluation or Peer Evaluation Measures" after discussion and approval by the Board of Directors

Note: The evaluation content includes the following items according to the evaluation scope:

- (1) The performance evaluation of the Board of Directors: including the degree of participation in the Company's operations, improving the decision-making quality of the board, the composition and structure of the board, the selection and continuing education of directors, internal control, etc.
- (2) Performance evaluation of individual director members: including mastery of Company goals and tasks, awareness of directors' responsibilities, degree of participation in Company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc.
- (3) Performance evaluation of functional committees: the degree of participation in the Company's operations, awareness of the responsibilities of functional committees, decision-making quality of functional committees, composition of functional committees and selection of members,

internal control, etc.

IV. Objectives of strengthening of the Board's functions (including setting up an audit committee and enhancing information transparency) for the current and most recent years and its implementation status:

(I) Effectively perform the functions of the Board of Directors:

1. The Company purchases liability insurance for all directors, which will help the directors to perform their duties wholeheartedly.
2. As of December 31, 2024, the attendance rates of the three independent directors in the 2024 board meetings of the Company were 100%.
3. The Company continues to evaluate the performance of the Board of Directors and functional committees at least once a year, and cooperates with the implementation and review of various evaluation tasks of the "Board Performance Evaluation Procedures" to help improve the effectiveness of the Board of Directors. For the board performance evaluation result report 2024 (including the Board of Directors, board members, and functional committees), refer to page 38.
4. A sustainable development committee will be established in December 2023 to improve the functions of the board of directors and continuously implement sustainable development goals.

(II) Continue to strengthen the structure of the Board of Directors:

1. In order to improve corporate governance and strengthen the functions of the Board of Directors, the Company's board members are diverse and possess the knowledge, skills and literacy necessary to perform their duties.
2. The Board of Directors targets the corporate governance evaluation to improve information transparency.

Note 1: If the directors and supervisors are legal persons, the names of the legal person shareholders and their representatives shall be disclosed.

Note 2: (1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the remarks column. Attendance Rate (%) is calculated based on the number of Board meetings called and the actual number of meetings Directors attended during their term of office.

(2) If, before the end of the year, there is a re-election of directors and supervisors, both the new and old directors and supervisors should be listed, and the remarks column should indicate whether the directors and supervisors are old, new or re-elected and the date of re-election. Attendance Rate (%) is calculated based on the number of Board meetings called and the actual number of meetings Directors attended during their term of office.



## (II) Information on the operation of the Audit Committee

The Audit Committee met 5 times in the most recent year (A), and the attendance of is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A) (Note)	Note
Independent Director	Chen, Kuei-Tuan	5	0	100%	—
Independent Director	Chen, Yung-Hsueh	5	0	100%	—
Independent Director	Ma, Hui-Chen	5	0	100%	—

Other matters:

I. With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date of Board Meeting (session)	Date of Audit Committee Meeting (session)	Subject of Discussion	Opinions of all members of Audit Committee, and the Company's response to the opinions
March 14, 2024 (1st in 2024)	March 14, 2024 (1st in 2024)	<ol style="list-style-type: none"> <li>1. Review the capital loan and increase the loan limit of the US subsidiary.</li> <li>2. Review the accounts receivable of U.S. subsidiaries that exceed the normal credit period as financing facilities.</li> <li>3. Review the 2023 internal control system effectiveness assessment and internal control system statement.</li> <li>4. Review the final statements and business report for 2023.</li> <li>5. Review the qualifications of the certified public accountants and assess their independence and competency with reference to the Audit Quality Indicators (AQIs).</li> <li>6. Review the appointment of visa accountant.</li> <li>7. Review the implementation and improvement of the audit plan.</li> </ol>	All the independent directors present had no adverse or qualified opinion or material suggestion; the proposals were approved with no objection by all the members of the Audit Committee present; there was no response from the Company to opinions from the Audit Committee.

May 10, 2024 (2nd in 2024)	May 10, 2024 (2nd in 2024)	<ol style="list-style-type: none"> <li>1. Review the capital loan and the loan limit of the U.S. subsidiary.</li> <li>2. Review of increasing capital investment in the US subsidiary.</li> <li>3. Review applications for short-term comprehensive quotas and derivative financial product transaction quotas from financial institutions.</li> <li>4. Review the appointment of visa accountant</li> <li>5. Review of Consolidated Financial Report for the Q1 of 2024.</li> <li>6. Review the implementation and improvement of the audit plan.</li> </ol>	Same as previous page
August 9, 2024 (3rd in 2024)	August 9, 2024 (3rd in 2024)	<ol style="list-style-type: none"> <li>1. Review of Consolidated Financial Report for the Q2 of 2024.</li> <li>2. Review the capital loan and the loan limit of the U.S. subsidiary.</li> <li>3. Review the accounts receivable of the U.S. subsidiary that exceed the normal credit period as financing facilities.</li> <li>4. Review the implementation and improvement of the audit plan.</li> </ol>	
November 11, 2024 (4th in 2024)	November 11, 2024 (4th in 2024)	<ol style="list-style-type: none"> <li>1. Review of Consolidated Financial Report for the Q3 of 2024.</li> <li>2. Review the capital loan and the loan limit of Sun Company Yinglong Company and the U.S. subsidiary.</li> <li>3. Review the implementation of the audit plan.</li> </ol>	
December 17, 2024 (5th in 2024)	December 17, 2024 (5th in 2024)	<ol style="list-style-type: none"> <li>1. Review the capital loan and the loan limit of the U.S. subsidiary.</li> <li>2. Review the application to financial institutions for short-term revolving guarantee loan line and guarantee for the issuance of commercial promissory note credit line.</li> <li>3. Review the 2025 Internal Audit Annual Audit Plan</li> <li>4. Review and revise the company's internal control system by adding control system procedures related to "Sustainability Information Management".</li> <li>5. Audit the implementation and improvement of the audit program.</li> </ol>	

(II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors: None.

II. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

III. Communications between the independent directors, the Company's chief internal auditor and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.):

(I) To convene at least once a year a separate meeting (symposium) between the accountant, the audit supervisor, and the independent directors to fully discuss and communicate on the Company's financial reporting and execution of financial business conditions, matters and results.

(II) The internal audit manager shall report on the performance of the internal audit business and discuss internal control, compliance with relevant laws and regulations with independent directors at least once a quarter at the audit committee meeting, and report the internal audit business and performance results to the board of directors.

(III) The certified accountant provides financial and tax-related consulting, and discusses and communicates with independent directors on the group's financial report review (review) results and internal control review status or recent legal updates. Arrange for independent directors to communicate individually with the internal audit manager and accountant, and attend the audit committee/board of directors to report and discuss relevant issues.

(1) On March 14, 2024, the Audit Committee held a separate meeting with the independent directors and the accountants and the audit supervisor before the meeting to fully discuss and communicate on the 2023 annual audit matters, significant risks and key audit matters, and audit quality indicators AQI.

(2) Before the audit committee meeting on December 17, 2024, a separate meeting was held between independent directors, accountants and audit supervisors to report on the company's financial reports and financial business status execution status, events and results, internal audit business execution status reports and discuss internal control, full discussion and communication on operational conditions such as compliance with relevant laws and regulations.

Communication results: The independent directors have no other opinions on the topics and financial report-related matters explained by the accountant and the internal audit manager's explanation of the operation of internal audit affairs.

(3) In 2024, independent directors communicated with the chief internal auditor  
Information on the operation of Audit Committee is stated in the following table:

Date	Discussion Points
2024.3.14	<ul style="list-style-type: none"> <li>✓ Fully discuss and communicate the 2023 financial report, the overall financial operation of the group, and the impact of legal revisions.</li> <li>✓ Prepare an internal control statement for 2023.</li> <li>✓ Evaluate the independence, suitability and appointment of certified accountants appointed by the company.</li> <li>✓ Implementation and improvement of annual audit plan.</li> <li>✓ The independent directors have no opinion at this meeting.</li> </ul>
2024.5.10	<ul style="list-style-type: none"> <li>✓ Communication of opinions on financial report for the Q1 of 2024.</li> <li>✓ Implementation and improvement audit plan for 2024. (and report to the Board of Directors)</li> <li>✓ The independent directors have no opinion at this meeting.</li> </ul>
2024.8.9	<ul style="list-style-type: none"> <li>✓ Communication of opinions on financial report for the Q2 of 2024.</li> <li>✓ Implementation and improvement of audit plan for 2024. (and report to the Board of Directors)</li> <li>✓ The independent directors have no opinion at this meeting.</li> </ul>
2024.11.11	<ul style="list-style-type: none"> <li>✓ Communication of opinions on financial report for the Q3 of 2024.</li> <li>✓ Implementation and improvement of audit plan for 2024 .(and report to the Board of Directors)</li> <li>✓ The independent directors have no opinion at this meeting.</li> </ul>
2024.12.17	<ul style="list-style-type: none"> <li>✓ Revise the company's internal control system by adding control system procedures related to "Sustainability Information Management".</li> <li>✓ "Internal Audit Annual Audit Plan" for 2025.</li> <li>✓ Implementation and improvement of audit plan for 2024 .(and report to the Board of Directors)</li> <li>✓ The independent directors have no opinion at this meeting.</li> </ul>

Note: If, before the end of the year, there is a re-election of supervisors, both the new and old supervisors should be listed, and the remarks column should indicate whether the supervisors are old, new or re-elected and the date of re-election. Actual Attendance Rate (%) is calculated based on the actual number of meetings supervisors attended during their term of office.

**(III) Implementation of corporate governance and its deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:**

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Whether the Company formulates and discloses the Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		In order to establish a good corporate governance system, the Company has formulated the “Governance Best Practice Principles”, and entrusted the President’s office, Auditing Office and Management Department to control and review the implementation status.	No major difference
II. Shareholding structure & shareholders’ rights (I) Does the company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to internal procedure?	V		(I) The Company has established a spokesperson system, the Company’s website has established a shareholder information investor service window, and a dedicated person is responsible for matters related to stock affairs.	(I) No major difference
(II) Does the company maintain a register of major shareholders, who have actual control over the company, and a register of principal shareholders, who have ultimate control over the company?	V		(II) The Company has stock affairs undertaking staff responsible for handling related matters, and is assisted by the stock affairs agency Stock Affairs Agency Department of Grand Fortune Securities Co., Ltd. The Company keeps track and grasps the list of major shareholders at any time	(II) No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the company establish and enforce risk control and firewall systems with its affiliated companies?	V		(III) The Company has formulated relevant management regulations such as the “Measures for Supervision and Control of Subsidiaries” and the “Measures for the Management of Related Parties, Specific Companies and Group Enterprises Transactions”, and the auditors also conduct regular audits.	(III) No major difference
(IV) Does the company have internal regulations in place to prevent its internal personnel from trading securities based on information yet to be public on the market?	V		(IV) The Company has formulated the “Procedures for Handling Material Inside Information and Preventing Insider Trading” to prevent its internal personnel from trading securities based on information yet to be public on the market.	(IV) No major difference
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors establish and implement a policy to diversify its composition?	V		(I) The Company has standardized the composition of the Board of Directors with diversity in consideration, and has formulated a diversity policy for the company's operation, operation type and development needs 1. Please refer to page 17 for details on the implementation status of the Company's Board of Directors diversity policy 2. Description of the Company's Diversity Implementation: (1) The Company currently has 7 board members (including 3 independent directors accounting for 43%). Three of the board members have the qualification of Certified Public Accountant of the R.O.C., one of the independent	(I) No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(I) Does the Board of Directors establish and implement a policy to diversify its composition?	V		<p>directors has legal expertise, and more than half of the board members are not serving concurrently as employees or managers of the Company. The board members have rich experience, professional knowledge and skills in the fields of finance, law, business and management, and are independent in order to effectively perform their supervisory functions</p> <p>(2) The company also pays attention to gender equality in the composition of the board of directors. At present, there are 7 directors, including 3 female directors, with a female director ratio of 43%.</p>	(I) No major difference
(II) In addition to the Remuneration Committee and Audit Committee, established according to the law, has the company voluntarily established other functional committees?	V		(II) A sustainable development committee will be established in December 2023 to improve the functions of the board of directors and continuously implement sustainable development goals.	(II) No major difference
(III) Does the company establish a performance evaluation procedure and method for the Board of Directors and conduct performance evaluation accordingly on an annual basis? Are the results of such evaluation reported to the Board of Directors and applied to the remuneration and nomination for reelection?	V		(III) The evaluation policies and evaluation methods of Board of Directors' performance have been formulated. Self-evaluation and peer evaluation were conducted for the functional committees in 2024, and the evaluation results have been reported to the Board of Directors.	(III) No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No	Description		
(III) Does the company establish a performance evaluation procedure and method for the Board of Directors and conduct performance evaluation accordingly on an annual basis? Are the results of such evaluation reported to the Board of Directors and applied to the remuneration and nomination for reelection?	V		1. Board of directors' performance evaluation results:	(III) No major difference	
			Number of evaluation items		Evaluation results
			A. Involvement in the Company's business activities		Excellent
			B. Improving Board of Directors' decision-making		
			C. Composition and structure of the Board of Directors		
			D. Election of directors and their continuing education		
			E. Internal control		
			F. Other		
			2. Results of self-evaluation of board members:		
			Number of evaluation items		Evaluation results
			A. Control over the Company's goals and tasks		Excellent
			B. Understanding of director duties and functions		
			C. Involvement in the Company's business activities		
			D. Management of internal relations and communication		
			E. Professional and continuing education of directors		
F. Internal control					



Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Does the company regularly evaluate the independence of its CPAs?	V		(IV) The independence of the CPAs complies with the laws and regulations. The Audit Committee evaluates the independence and applicability of the CPAs every year on a regular basis, requires the CPAs to provide a “Statement of Independence” and an “Audit Quality Indicators Report” based on the “Audit Quality Indicators (AQIs)”, and submits the results to the Board of Directors for discussion. The latest evaluation was approved by the Audit Committee on March 14, 2024 and subsequently submitted to the Board of Directors for approval on March 14, 2024. Refer to page 45 for the evaluation status.	(IV) No major difference
III. Does the company dedicate adequate and sufficient personnel to attend to corporate governance affairs, and appoint a head of corporate governance to be in charge of corporate governance matters (including but not limited to providing information required for the performance Directors and Supervisors, assisting Directors and Supervisors in compliance with related laws and regulations, conducting the Board/shareholders’ meetings according to the law, keeping meeting minutes and records of Board/shareholders’ meetings, etc.)?	V		The Company has set up full-time (part-time) personnel to handle corporate governance-related matters. In March 2021, the Board of Directors passed a resolution to appoint a senior manager with accountant qualifications and years of financial and accounting experience as the head of corporate governance to be responsible for supervision to strengthen the functions of the Board of Directors; and will cooperate with the completion of related courses (hours). (I) Corporate governance affairs are carried out with the cooperation of relevant units. The main responsibilities: 1. Provide information needed by directors to perform business and assist in arranging continuous education and complying with laws and regulations.	No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof												
	Yes	No	Description													
IV. Does the company dedicate adequate and sufficient personnel to attend to corporate governance affairs, and appoint a head of corporate governance to be in charge of corporate governance matters (including but not limited to providing information required for the performance Directors and Supervisors, assisting Directors and Supervisors in compliance with related laws and regulations, conducting the Board/shareholders’ meetings according to the law, keeping meeting minutes and records of Board/shareholders’ meetings, etc.)?	V		<div> <div>2. Handle matters related to the Board of Directors, its establishment of committees, and shareholder meetings in accordance with the law.</div> <div>3. Assist in the implementation and strengthening of corporate governance.</div> <div>(II) The details of corporate governance related courses for the head of corporate governance are as follows:</div> <table> <tr> <th>Training Institution</th> <th>Course Name</th> <th>Duration</th> </tr> <tr> <td>Taiwan Academy of Banking and Finance</td> <td>Corporate Governance and Business Sustainability Workshop</td> <td>3 hours</td> </tr> <tr> <td>Taiwan Investor Relations Institute</td> <td>Functions and prospects of carbon exchanges &amp; how the board of directors supervises the company to establish and improve risk management mechanisms</td> <td>3 hours</td> </tr> <tr> <td>Taiwan Corporate Governance Association</td> <td>Climate Risk Identification Workshop and Net Zero Carbon Emission Promotion Conference</td> <td>9 hours</td> </tr> </table> </div>	Training Institution	Course Name	Duration	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours	Taiwan Investor Relations Institute	Functions and prospects of carbon exchanges & how the board of directors supervises the company to establish and improve risk management mechanisms	3 hours	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net Zero Carbon Emission Promotion Conference	9 hours	No major difference
Training Institution	Course Name	Duration														
Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours														
Taiwan Investor Relations Institute	Functions and prospects of carbon exchanges & how the board of directors supervises the company to establish and improve risk management mechanisms	3 hours														
Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net Zero Carbon Emission Promotion Conference	9 hours														

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
V. Does the company establish a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicate a section of the company's website for stakeholder affairs, and adequately respond to stakeholders' inquiries on significant corporate social responsibility issues?	V		The Company collects the opinions and suggestions of stakeholders on issues of concern to stakeholders through regular and irregular meetings, transparent and good interactive communication by relevant business windows, and communicates by means of E-mail communication, physical meetings, telephone conferences, etc., and reports and discusses the feedback information obtained in internal meetings, and reports to the Board of Directors at least once a year on the communication with all stakeholders, so as to serve as an important reference for the sustainable development strategy.	No major difference
VI. Does the company commission a professional stock transfer agency for shareholder meetings and related affairs?	V		A professional stock transfer agency has been commissioned to handle affairs related to shareholder meetings. The stock affairs agency "Stock Affairs Department, Grand Fortune Securities Co., Ltd."	No major difference
VII. Information disclosure				
(I) Does the company establish a website to disclose information on financial operations and corporate governance?	V		(I) The Company has set up a website to disclose Company-related information through shareholder information and via public information observatories.	(I) No major difference
(II) Does the company have other information disclosure channels (e.g. establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences, etc.)?	V		(II) The Company has designated a person to be responsible for the collection and disclosure of Company information and has implemented a spokesperson system in accordance with regulations.	(II) No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the company publish and report its annual financial report within two months after the end of a fiscal year, and does it publish and report its financial reports for the first, second and third quarters as well as its monthly operating status before the specified deadline?		V	(III) The Company publishes and reports its annual financial report within two months after the end of a fiscal year, its financial reports for the first, second and third quarters as well as its monthly operating status before the specified deadline.	(III) No major difference
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	V		<ol style="list-style-type: none"> <li>1. Employee rights and care: Please refer to page 112 of labor relations.</li> <li>2. Investor Relations: The company attaches great importance to investor relations, has a complete spokesperson system and investor relations processing window, and strengthens the timeliness and transparency of information disclosure to protect the interests of investors.</li> <li>3. Supplier relationship: In the company's dealings with suppliers, the procurement department and the quality assurance department are responsible for supplier evaluation, and the legal department reviews the signed contract terms in order to obtain the most reasonable quotation, the best quality and the best service.</li> <li>4. Rights of Stakeholders: The Company seeks to maintain a good relationship with its stakeholders and to safeguard their rights and interactions through perfect communication.</li> <li>5. Directors' continuing education: The Company provides</li> </ol>	No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	V		<p>relevant laws and regulations for directors at any time, and participates in relevant continuing education courses and seminars in accordance with personal time considerations, and the training status is disclosed in the corporate governance area of the Public Information Observatory.</p> <p>6. Implementation of risk management policies and risk measurement standards: The Company formulates various management rules and regulations in accordance with the law, and conducts various risk management and evaluation to maintain the Company's advantageous position.</p> <p>7. Implementation of customer policy: The company attaches great importance to customer satisfaction, and with the participation and efforts of all employees, it continues to carry out ISO9001, AS9100, ISO14001, ISO45001, CNS45001 (TOSHMS) verification and ISO14064-1 cooperation with the implementation plan of counseling, so as to require stricter quality standards and achieve the consistent policy of "customer satisfaction, quality first". "On time, on schedule, on high quality" is our commitment to customer service.</p> <p>8. The Company has purchased liability insurance for directors: The Company has renewed the purchase of directors' liability insurance in 2023 and 2024.</p>	No major difference

Assessment item	Implementation Status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
IX. Please describe improvements in accordance with corporate governance assessment results issued by the Corporate Governance Center, TWSE in the most recent year, and provide related improvement plan of higher priorities for items that has not yet improved. It is scheduled to propose priority strengthening items and measures: 1.The Company will upload the English version of the meeting notice and the English version of the agenda 30 days before the 2025 shareholders’ meeting. 2. The company is scheduled to upload the Chinese and English versions of its annual report 18 days before the 2025 shareholders' meeting. 3. The Company will upload the English version of the 2024 Annual Financial Report 18 days before the shareholders’ meeting 2025.				

Note: Whether the implementation status is checked “Yes” or “No”, it should be stated in the summary description column.

## Evaluation of the Independence of the certifying CPAs

The Company has performed the evaluation on the independence of the Company's certifying CPAs pursuant to Article 29 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies as follows and submitted the evaluation report to the first meeting of the Board of Directors in 2025 for approval:

### Evaluation of the Independence of the certifying CPAs by Lee Chi Enterprises Co., Ltd.

Evaluation Date: February 27, 2025

I. Handling as per Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

II. Evaluation items are as follows:

Determined in accordance with Article 47 of the CPAs' Act and the Code of Occupational Ethics for CPAs Bulletin 10:

Item	Rating	Independence of the CPAs
1. Do the CPAs have direct or significant indirect financial interest with the Company?	No	Yes
2. Have the CPAs incurred financing or guarantee activities with the Company or its directors?	No	Yes
3. Do the appointed CPAs have close business relationships or potential employment with the Company?	No	Yes
4. The CPAs and members of the audit team serving as directors or managerial officers or holding positions with significant influence on the audit work of the Company at present or in the past 2 years	No	Yes
5. Do the appointed CPAs provide non-audit services for the Company that would have a direct impact on the audits?	No	Yes
6. Do the CPAs serve as an intermediary of the shares or other securities issued by the Company?	No	Yes
7. Do the CPAs serve as a defense counsel of the Company or represent the Company in mediating conflicts with third parties?	No	Yes
8. Are the CPAs a family member or relative of a director or managerial officer or person holding a position that has a significant impact on the audit work of the Company?	No	Yes
9. As of now, have the CPAs engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence?	No	Yes
10. Do the CPAs and members of the audit team follow the principle of integrity, honesty, fairness, objectivity and independence?	Yes	Yes

**(IV) If a remuneration committee is established, its composition, responsibilities and operation condition shall be disclosed:**

**1. Information on Remuneration Committee Members**

December 31, 2024

Title (Note 1)	Requirements Name	Professional Qualification and Experience (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director Convener	Chen, Kuei-Tuan	<p>1. Position currently held:</p> <p>(1) Certified Public Accountant at EnWise CPAs &amp; Co.</p> <p>(2) Independent Director of Chumpower Machinery Corporation</p> <p>(3) Director of Swancor International Investment Holdings Co., Ltd</p> <p>(4) Director of Central Taiwan University of Science and Technology, Supervisor of Ling Tung University.</p> <p>(5) Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd.</p> <p>2. Other main position held and experience:</p> <p>(1) Professor, Head of the Accounting Department, Director of the Graduate Institute of Accounting and Taxation at Feng Chia University, Adjunct Professor in the Graduate Institutes of Accounting of National Chung Hsing University, Tunghai University and Providence University</p> <p>(2) Legislative assistant in the Budget Group of the Legislative Consultation Center of the Legislative Yuan - passed the Class A government functionary examination as an accounting auditor</p> <p>(3) Independent Director of CHC Healthcare Group</p> <p>(4) Supervisor of Feng Chia University</p>	<p>1. Mr. Chen is not an employee of the company or any of its affiliates.</p> <p>2. Mr. Chen, his spouse or relative within the second degree of kinship are not a director, a supervisor or an employee of the company or any of its affiliates.</p> <p>3. Mr. Chen, his spouse or relative within the second degree of kinship (or held by Mr. Chen under others' names) do not hold shares of the Company.</p> <p>4. Mr. Chen has not been the director, supervisor or employee of specific related companies</p> <p>5. No compensation was paid to Mr. Chen for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.</p> <p>6. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.</p>	1



Title (Note 1)	Requirements  Name	Professional Qualification and Experience (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director Member	Chen, Yung-Hsueh	<p>1. Position currently held: Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd.</p> <p>2. Other main position held and experience: Senior Manager of Asian Banks, Vice President of DBS Bank</p>	<p>1. Ms. Chen is not an employee of the company or any of its affiliates.</p> <p>2. Ms. Chen, her spouse or relative within the second degree of kinship are not a director, a supervisor or an employee of the company or any of its affiliates.</p> <p>3. Ms. Chen, her spouse or relative within the second degree of kinship (or held by Ms. Chen under others' names) hold 140,462 shares, which is 0.06% of the Company's shares.</p> <p>4. Ms. Chen has not been the director, supervisor or employee of specific related companies</p> <p>5. No compensation was paid to Ms. Chen for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.</p> <p>6. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.</p>	0

Title (Note 1)	Requirements  Name	Professional Qualification and Experience (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director Member	Ma, Hui-Chen	<p>1. Position currently held:</p> <p>(1) Chief Operating Officer of Eternal On CPAs</p> <p>(2) Independent Director, Remuneration Committee Member, and Sustainable Development Committee Member of Lee Chi Enterprises Co., Ltd.</p> <p>2. Other main position held and experience:</p> <p>(1) KPMG Audit Assistant Manager</p> <p>(2) Assistant Manager of COTA Commercial Bank</p> <p>(3) Director and Supervisor of Shih-Kuen Plastic Co., Ltd.</p> <p>(4) Director of Jie-Ya Co., Ltd.</p>	<p>1. Ms. Ma is not an employee of the company or any of its affiliates.</p> <p>2. Ms. Ma, her spouse or relative within the second degree of kinship are not a director, a supervisor or an employee of the company or any of its affiliates.</p> <p>3. Ms. Ma, her spouse or relative within the second degree of kinship (or held by Ms. Ma under others' names) do not hold shares of the Company.</p> <p>4. Ms. Ma has not been the director, supervisor or employee of specific related companies</p> <p>5. No compensation was paid to Ms. Ma for providing commercial, legal, financial or accounting services to the company or to any affiliate of the company within the recent two years.</p> <p>6. Matched none of the circumstances described in subparagraphs under Article 30 of the Company Act.</p>	0

## 2. Remuneration Committee

- (1) The 5th Remuneration Committee of the Company was approved by the Board of Directors on June 21, 2023. There are 3 members, namely Chen, Kuei-Tuan, Chen, Yung-Hsueh, and Ma, Hui-Chen. The committee members recommended Chen, Kuei-Tuan as the convener.
- (2) The remuneration committee is responsible for formulating and regularly reviewing the policies, systems, standards and structure of directors and managers' performance evaluation and remuneration, regularly evaluating the achievement of the Company's directors and managers' performance goals, and determining the content and amount of their individual salary and remuneration.
- (3) The term of office of the current members: June 21, 2023 to June 20, 2026. From 2024 to the date of publication of this annual report, three meetings have been held (A), and the members' attendance is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Note
Convener	Chen, Kuei-Tuan	3	0	100%	—
Member	Chen, Yung-Hsueh	3	0	100%	—
Member	Ma, Hui-Chen	3	0	100%	—

### Other matters:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date of the board meeting, the period, the content of the proposal, the results of the resolutions of the Board of Directors and the Company's response to the opinions of the Remuneration Committee shall be stated (if the salary and compensation approved by the Board of Directors are better than the recommendations of the Remuneration Committee, state the difference and reasons): None.
- II. If, for the resolutions of the Remuneration Committee, members have adverse or qualified opinions and there are records or written declarations, the date of the board meeting, the period, the content of the proposal, the results of the resolutions of the Board of Directors and the Company's response to the opinions of the Remuneration Committee shall be stated: None.

Note: (1) If a member of the Remuneration Committee resigns before the end of the year, the resignation date shall be indicated in the remarks column. Attendance Rate (%) is calculated based on the number of Remuneration Committee meetings called and the actual number of meetings the members of the Remuneration Committee attended during their term of office.

- (2) If, before the end of the year, there is a re-election of members of the Remuneration Committee, both the new and old members of the Remuneration Committee should be listed, and the remarks column should indicate whether the members are old, new or re-elected and the date of re-election. Attendance Rate (%) is calculated based on the number of Remuneration Committee meetings called and the actual number of meetings the members of the Remuneration Committee attended during their term of office.

### 3. Discussions and resolutions of the Remuneration Committee:

Remuneration Committee Meeting Date (session)	Subject of Discussion	Result of the Resolution
March 14, 2024 (1st in 2024)	<ul style="list-style-type: none"> <li>Reviewed the Company's current director and manager performance appraisal and remuneration evaluation standards.</li> <li>Considered the proposal of distribution of 2023 remuneration of directors and managerial officers of the Company.</li> </ul>	After all the members present agreed with the proposal without dissenting opinions, the proposal was submitted to the Board of Directors for discussion and adopted without objection by all the directors present.
December 17, 2024 (2nd in 2024)	<ul style="list-style-type: none"> <li>Reviewed the Company's current director and manager performance evaluation, performance appraisal and remuneration standards.</li> <li>Considered the year-end bonuses of managerial officers of the Company in 2024.</li> <li>Proposed the 2025 Work Plan of the Remuneration Committee.</li> </ul>	

### 4. Sustainable Development Committee

- (1) There are 6 members in the Sustainable Development Committee.
- (2) The term of office of the current members: June 21, 2023 to June 20, 2026. From 2024 to the date of publication of this annual report, two meetings have been held (A), and the members' attendance is as follows:

Title	Name	Professional Qualification and Experience	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Note
Convener	Lee, Yu-Cheng	Please refer to page 14	2	0	100%	Appointed on December 21, 2023
Member	Lin, Yu-Hsin	Please refer to page 14	2	0	100%	Appointed on December 21, 2023
Member	Lin, Yi-Hsien	Please refer to page 14	2	0	100%	Appointed on December 21, 2023
Member	Chen, Kuei-Tuan	Please refer to page 15	2	0	100%	Appointed on December 21, 2023
Member	Chen, Yung-Hsueh	Please refer to page 16	2	0	100%	Appointed on December 21, 2023
Member	Ma, Hui-Chen	Please refer to page 16	2	0	100%	Appointed on December 21, 2023

Note: (1) If a member of the Sustainable Development Committee resigns before the end of the year, the resignation date shall be indicated in the remarks column. Attendance Rate (%) is calculated based on the number of Sustainable Development Committee meetings called and the actual number of meetings the members of the Sustainable Development Committee attended during their term of office.

- (2) If, before the end of the year, there is a re-election of members of the Sustainable Development Committee, both the new and old members of the Sustainable Development Committee should be listed, and the remarks column should indicate whether the members are old, new or re-elected and the date of re-election. Attendance Rate (%) is calculated based on the number of Sustainable Development Committee meetings called and the actual number of meetings the members of the Sustainable Development Committee attended during their term of office.

## 5. Discussions and resolutions of the Sustainable Development Committee:

Remuneration Committee Meeting Date (session)	Subject of Discussion	Result of the Resolution
August 9, 2024 (1st in 2024)	<ul style="list-style-type: none"> <li>● In response to the "Sustainable Development Roadmap for Listed Companies", disclose greenhouse gas inventory information and conduct verification, and report to the board of directors for oversight.</li> <li>● The ISO 14064-1 greenhouse gas inventory for April 2024 completed the carbon inventory and verification for the year 2023.</li> <li>● “2023 annual sustainability report”.</li> </ul>	After all the members present agreed with the proposal without objection.
December 17, 2024 (2nd in 2024)	<ul style="list-style-type: none"> <li>● Revise the company’s internal control system by adding control system procedures related to "Sustainability Information Management".</li> <li>● Proposed 2025 Work Plan for the Sustainability Committee</li> </ul>	

**(V) Performance of Sustainable Development, Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX**

**Listed Companies” and Reasons Thereof:**

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
I. Does the Company establish exclusively (or concurrently) dedicated personnel to implement sustainable development with senior management authorized by the board to be in charge of proposing the sustainable development policies and reporting to the board?	V		1. The Board of Directors serves as the highest governance body for addressing climate change within the Company. To further strengthen the Board’s oversight responsibilities on sustainability matters and to promote and implement the Company's sustainability vision, the Company established the Sustainability Development Committee on December 21, 2023, with the approval of the Board of Directors. The Committee is responsible for reviewing the Company’s sustainability policies and management guidelines, as well as supervising the implementation of sustainability-related initiatives. In line with corporate governance evaluation requirements, the committee consists of six members. The Chairman of the board has appointed the President as the chief officer of sustainability, authorizing the President to coordinate all internal units involved in sustainability efforts. The Sustainability Working Group has also been formed, with members comprised of department heads and relevant personnel, to promote sustainability-related tasks such as risk management, corporate social responsibility, and climate change adaptation, in accordance with corporate governance evaluation standards. Through diverse and effective communication channels, the Company actively	No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
I. Does the Company establish exclusively (or concurrently) dedicated personnel to implement sustainable development with senior management authorized by the board to be in charge of proposing the sustainable development policies and reporting to the board?	V		<p>engages with stakeholders to understand their perspectives and needs, using this feedback as an important reference for formulating the Company’s sustainability strategies.</p> <p>2. The Company has announced the 2023 Annual Sustainability Report on August 28, 2024, and has assisted in improving the performance of sustainability management through training and coaching. It is expected to issue the 2024 Annual Sustainability Report in August 2025.</p> <p>3. The Sustainability Working Group holds quarterly meetings, during which the President oversees the implementation of various energy-saving, carbon-reduction, and water-conservation initiatives. The President reviews the progress and goal achievement of these initiatives and reports the results to the Chairman of the Board. These results are also compiled quarterly and included as attachments to the Board meeting agenda for reference and discussion. The ESG Sustainability Development Committee is responsible for regularly reporting to the Company’s executive management on the planning, progress, and effectiveness of sustainability initiatives. In addition, the Committee reports to the Board of Directors at least once a year on the outcomes of sustainability efforts and future work plans. These reports may cover topics such as long-term strategic goals in response to climate change, energy-saving and carbon-reduction strategies, medium- to long-term</p>	No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
I. Does the Company establish exclusively (or concurrently) dedicated personnel to implement sustainable development with senior management authorized by the board to be in charge of proposing the sustainable development policies and reporting to the board?	V		<p>sustainability visions, annual performance in energy-saving and carbon reduction, as well as the planning of green production and green products..</p> <p>4. Members of the board of directors will supervise and advise on the implementation by the Company, including but not limited to management policies, strategy and goal formulation and review measures, etc.</p>	No major difference
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 2)	V		<p>1. The Company prepares the sustainability report in accordance with international standards, pays attention to the opinions of stakeholders, establishes multiple communication channels with stakeholders, as a reference for the formulation of the Company’s management policies, conducts regular analysis of major issues, identifies issues that stakeholders are concerned about, collect stakeholders’ concerns about the environment, society, and governance related issues, including employee communication, supplier relations, customer relations, investor relations, financial, taxation and securities institutions relations, factory environmental safety and hygiene, etc., and confirms the degree of impact on the Company's sustainability, and currently prepares a sustainable report based on it</p> <p>2. In accordance with the GRI Standards (2021), GRI 3 definition of materiality, the Company conducts a Double Materiality assessment led by senior executives. This evaluation considers the positive and negative impacts of the Company’s 18 sustainability topics on the external</p>	No major difference



Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Description (Note 2)							
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 2)	V		<p>economy, environment, and people (including human rights), as well as the likelihood of impact occurrence. After incorporating feedback from various external stakeholders, an impact score is generated. Based on the degree of impact on the economy, environment, and people (including human rights) and the likelihood of occurrence, a materiality matrix is developed to identify the most significant sustainability topics. Through this process, 10 key material sustainability topics have been identified: Diversity and Talent Development, Risk Management, Materials, Energy, and Greenhouse Gas Management, Clean Energy, Supply Chain Management, Operational Performance, Information Security Management, Waste Management, Water Resource Management.</p> <p>3. Based on the assessed risks, the following relevant risk management policies or strategies have been established:</p> <table><tr><th>Significant topic</th><th>Item</th><th>Description</th></tr><tr><td>Corporate Governance</td><td>Operational Performance</td><td>1. Through integrated strategies, digital transformations, and the strengthening of core competencies, continuously enhance business performance. 2. Ensure transparent disclosure of operational information and uphold ethical business practices to foster a culture of</td></tr></table>	Significant topic	Item	Description	Corporate Governance	Operational Performance	1. Through integrated strategies, digital transformations, and the strengthening of core competencies, continuously enhance business performance. 2. Ensure transparent disclosure of operational information and uphold ethical business practices to foster a culture of	No major difference
Significant topic	Item	Description								
Corporate Governance	Operational Performance	1. Through integrated strategies, digital transformations, and the strengthening of core competencies, continuously enhance business performance. 2. Ensure transparent disclosure of operational information and uphold ethical business practices to foster a culture of								

Assessment item	Implementation Status (Note 1)					Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)			
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 2)	V				compliance. 3. Comply with laws and regulations while actively promoting corporate governance and sustainable development. 4. Strengthen communication with stakeholders and strive to meet their expectations regarding the Company’s sustainability efforts.	No major difference
				Information Security Management	To protect the confidentiality, integrity, and availability of sensitive information such as customer data and business information, the Company works collaboratively with all employees, internal and external information system users, and third-party service providers to achieve its information security objectives.	
				Risk Management	1. Establish a ”Sustainability Development Working” Group to review the Company’s sustainability policies and management guidelines, oversee the implementation of sustainability initiatives, and regularly conduct climate risk and opportunity assessments based on the TCFD framework.	

Assessment item	Implementation Status (Note 1)					Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)			
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 2)	V				The identified risks and opportunities are reported to the Board of Directors on a regular basis, with the Board responsible for supervising the implementation status. 2. Commit to proactively and cost-effectively integrating and managing all potential strategic, operational, financial, and hazard-related risks that may impact business operations and profitability.	No major difference
			Environmental Issues	Waste Management	With the policy of “Green Manufacturing, Happy Workplace, and Sustainable Operation,” the Company is committed to regulatory compliance, risk control, pollution prevention, energy conservation, waste reduction, and performance enhancement. Through enhanced management, resource integration, technological upgrades, and the cultivation of environmental R&D and technical talent, the Company aims to achieve its management vision of “energy saving and emission reduction, resource utilization, and reuse.”	

Assessment item	Implementation Status (Note 1)					Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)			
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 2)	V			Water Resource Management	1. Implement effective water resource management and promote daily water conservation. 2. Promote water recycling and manage wastewater and sewage responsibly.	No major difference
				Clean Energy	Improve energy efficiency and increase the use of renewable energy.	
				Energy and Greenhouse Gas Management	The Environmental, Health, and Safety (EHS) Management Policy is to continuously promote energy conservation and carbon reduction, moving toward green circular production. The Company sets targets for electricity saving and carbon reduction, aiming for the reasonable and efficient use of energy to reduce greenhouse gas emissions and address the challenges of climate change.	
			Social Issues	Supply Chain Management	1. Continuously improve productivity and reduce costs. 2. Develop supplier strategies and implement sustainable supply chain management to maintain industry leadership.	
				Materials	1. Through understanding market conditions and customer	

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 2)	V		needs, continuously provide green innovative products. 2. Following the internal quality management system, training is provided to ensure personnel have the skills needed for quality work, meeting customer requirements for product quality.	No major difference
			Diversity and Talent Development Strengthen industry-academia collaboration, provide subsidies for talent training, establish a professional talent pool, offer career development support, improve the working environment, provide competitive salaries and benefits, and enhance internal promotion opportunities.	
			4. In response to the impact of climate change on the environment and economy and the significant impact on the Company's sustainable development, the Company has introduced the ISO14001 management system since 2016, and the risk assessment of environmental considerations has been regularly implemented. Moreover, the Company introduced ISO14064-1 in February 2023. The greenhouse gas inventory report is expected to be completed in September, and the Company will continuously monitor the impact of climate change.	

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
<b>III. Environmental Issues</b> <b>(I) Does the company establish a suitable environment management system in reference to the nature of its industry?</b>	V		<b>(I)</b> The Company established the Environmental, Safety and Health Implementation Committee and implemented the ISO14001 Environmental Management System, and began to introduce ISO14064-1, set clear environmental protection and energy conservation goals, and formulated management policies for the use of various resources and environmental protection, and strive to achieve a friendly environment with low pollution and easy recycling; Since 2016, the Company has annually engaged a third-party impartial organization — Afarno International Co., Ltd. (AFNOR)— to conduct evaluations and has continuously obtained certification for the ISO 14001 Environmental Management System. In 2024, the Company also obtained ISO 14064-3 verification; The Company's environmental protection policy mainly focuses on energy saving, reduction, habit change and effective control.	<b>(I)</b> No major difference
<b>(II) Is the company committed to improving energy efficiency and using renewable materials with low environmental impact?</b>	V		<b>(II)</b> Belonging to the metal processing industry, the Company has been investing a lot of resources for a long time, purchasing high-efficiency and low-energy-consuming machines, seeking to improve the production process to meet the requirements of national environmental protection laws, and cooperating with suppliers to discuss the use of low-carbon aluminum and recycled aluminum. The Company has entrusted the Management Department to deal exclusively with energy saving and carbon reduction, the construction of solar panels for power regeneration, the use of renewable energy, and the regeneration and recycling of various production materials and waste.	<b>(II)</b> No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(III) Does the company assess the potential current and future risks and opportunities of climate change to the enterprise, and take measures to address related issues?	V		(III) The Company has established the Safety and Health office, the Environmental Safety and Health Promotion Committee and the ESG Sustainable Development Committee, paying attention to the impact of climate change on operational activities, and actively controlling the utilization of water, electricity, gas and other energy sources. Pertaining to the new product development process, the Company is dedicated to increase the utilization rate of materials, reduce the generation of waste and use low-carbon aluminum and recycled aluminum to decrease the impact on the environment, and promote various energy-saving and carbon-reduction measures. The Company has introduced the ISO14064-1 since 2023, and has obtained the certifications of ISO14001:2015, ISO45001:2018, CNS45001:2018 (TOSHMS) and has completed ISO 14064-3 verification.	(III) No major difference
(IV) Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years as well as establish policies on reductions in carbon and greenhouse gas emission, water conservation, and waste management?	V		(IV) 1. Greenhouse gas emissions (1) The Company has introduced the ISO14064-1 greenhouse gas inventory since 2023 and has commissioned AFNOR to obtain ISO 14001 environmental management system certification and complete ISO 14064-3 verification through a third-party impartial unit evaluation every year. (2) Greenhouse gas emissions in the last 2 years (regional baseline):	(IV) No major difference

Assessment item	Implementation Status (Note 1)				Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Description (Note 2)				
(IV)Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years as well as establish policies on reductions in carbon and greenhouse gas emission, water conservation, and waste management?	V		Unit: metric tons CO2e		(IV) No major difference		
			project\year	Category		2023	2024
			1. Direct greenhouse gas emissions and removals	(Category 1)		569.5408	850.0655
			2. Indirect greenhouse gas emissions from input energy	(Category 2)		2,530.2024	2,970.4313
			3. Indirect greenhouse gas emissions from transport	(Category 3)		230.2754	362.4593
			4. Indirect greenhouse gas emissions from product use			2,146.2692	3,501.6976
			5. Indirect greenhouse gas emissions associated with product use			No disclosure	No disclosure
			6. Indirect greenhouse gas emissions from other sources	(Category 3)		No disclosure	No disclosure
			(3) Reduction target: Electricity use is the main source of the company’s greenhouse gas emissions. Effective use of energy is one of the keys to the sustainable development of the company. The company uses electricity saving as the main means of energy conservation and carbon				



Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(IV) Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years as well as establish policies on reductions in carbon and greenhouse gas emission, water conservation, and waste management?	V		<p>reduction, and has set an annual reduction target of At least 1%.</p> <p>(4) Promote policies:</p> <ul style="list-style-type: none"> <li>● The lighting in the office area is replaced with energy-saving LED fluorescent lamps.</li> <li>● The heat energy generated by the operation of the air compressor can be converted into the domestic water used for heating, and the electricity consumption of the electric water heater will be reduced.</li> <li>● The old electrical equipment is continuously replaced, and energy-saving label products are replaced - air conditioners, fans, dehumidifiers, refrigerators, etc.</li> <li>● Turn off several fluorescent lamps during lunch and lunch breaks.</li> <li>● Purchase new inverter for air compressor to save energy and overhaul air compressor pipelines to avoid air leakage and energy consumption.</li> <li>● Increase ventilation or thermal insulation facilities in the plant, such as exhaust fans, energy-saving glass, etc., to reduce indoor temperature and air conditioning load.</li> <li>● The air-conditioning chiller host is equipped with a heat-insulated roof to improve the use efficiency, and the air-conditioning units are equipped with temperature control equipment to limit the temperature to more than 26 degrees Celsius to avoid energy consumption.</li> <li>● Improve the problem of excessive power consumption during peak power consumption - Install energy storage</li> </ul>	(IV) No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Description (Note 2)							
(IV)Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years as well as establish policies on reductions in carbon and greenhouse gas emission, water conservation, and waste management?	V		<p>equipment, store electricity at night/release power during the day, and when the electricity consumption is excessive, the large-scale energy-consuming equipment will be shut down to allocate power.</p> <p>(5) Achievement status:</p> <ul style="list-style-type: none"><li>●Expand the use of green energy, and obtain a total of 1,074 green energy certificates in 2024*1000 kWh each = 1,074,000 kWh.</li><li>●The Company's green energy plan, the self-built solar farms are divided into four phases. The total installed capacity amounts to 933.46 kW, with an average daily power generation of 3.5 kWh per kW, the annual rate is about 933.46KW * 3.5 kWh * 365 days = 1,192,495 kWh / year.</li></ul> <p>2. Water management:</p> <p>(1) The company's water resources mainly come from tap water, and the plant is equipped with water purification facilities and reverse osmosis (RO) water purification system equipment according to each demand.</p> <p>(2) Water consumption in the past 2 years:</p> <p>Unit: degree/year</p> <table><tr><th><div>project</div><div>year</div></th><th>2023</th><th>2024</th></tr><tr><td>tap water</td><td>4,759.3029</td><td>3,564.8571</td></tr></table> <p>(3) Reduction target: Set an annual reduction target of at least 1%.</p> <p>(4) Promote policies:</p> <ul style="list-style-type: none"><li>●Promote water conservation and install water-saving</li></ul>	<div>project</div> <div>year</div>	2023	2024	tap water	4,759.3029	3,564.8571	(IV) No major difference
<div>project</div> <div>year</div>	2023	2024								
tap water	4,759.3029	3,564.8571								

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons																												
	Yes	No	Description (Note 2)																													
(IV)Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years as well as establish policies on reductions in carbon and greenhouse gas emission, water conservation, and waste management?	V		<div>valves so that everyone can develop the habit of turning off the water at all times.</div> <div>●If water leakage is discovered, report it immediately to avoid wasting water.</div> <div>●Increase the usage of circulating water.</div> <div>3.Waste management:</div> <div>(1) Total weight of waste in the past 2 years:</div> <div>Unit: metric tons/year</div> <table><tr><th colspan="2">project \ year</th><th>2023</th><th>2024</th></tr><tr><td rowspan="2">Business waste</td><td>generally</td><td>8.564</td><td>20.8486</td></tr><tr><td>harmful</td><td>None</td><td>None</td></tr><tr><td rowspan="4">Resource recovery waste</td><td>Paper</td><td>30.79</td><td>21.63</td></tr><tr><td>Aluminum</td><td>127.851</td><td>192.96</td></tr><tr><td>Iron</td><td>35.8923</td><td>23.9475</td></tr><tr><td>Plastic</td><td>None</td><td>None</td></tr><tr><td></td><td>Wire (copper) class</td><td>None</td><td>None</td></tr></table> <div>(2) Reduction target: Set a target of at least 1% per year.</div> <div>(3) Promote policies:</div> <div>●Promote paperless policies and advocate for electronic forms to reduce paper usage.</div> <div>●Employees bring their own environmentally friendly tableware to reduce wash-free tableware.</div> <div>●Promote the reuse of recycled paper to reduce the amount of paper used.</div> <div>●Replace the old with new equipment to improve work</div>	project \ year		2023	2024	Business waste	generally	8.564	20.8486	harmful	None	None	Resource recovery waste	Paper	30.79	21.63	Aluminum	127.851	192.96	Iron	35.8923	23.9475	Plastic	None	None		Wire (copper) class	None	None	(IV) No major difference
project \ year		2023	2024																													
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Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(IV) Does the company calculate the greenhouse gas emissions, water consumption, and total weight of waste over the past two years as well as establish policies on reductions in carbon and greenhouse gas emission, water conservation, and waste management?	V		<p>efficiency and conform to the trend of green environmental protection.</p> <ul style="list-style-type: none"> <li>●Process improvement, continuous improvement, improve efficiency and reduce waste.</li> <li>●The Company cooperates with the government to actively promote green procurement, and the procurement department selects low-carbon aluminum and recycled aluminum, hoping to reduce the environmental impact and create an environmental and ecological balance of coexistence and co-prosperity through green procurement.</li> <li>●Scrap aluminum, scrap iron, waste plastics, paper, etc. should implement a resource recovery and classification mechanism.</li> <li>●Promote the reduction of waste for all employees.</li> <li>●The waste generated by the company shall be implemented in accordance with laws and regulations, and a resource recovery mechanism shall be implemented.</li> <li>●Enforce compliance with resource recycling regulations and implement environmental protection policies.</li> </ul> <p>Overall, the Company is committed to achieving its environmental energy conservation and carbon reduction management goals.</p>	(IV) No major difference
IV. Social Issues				
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		<p>(I) 1. In order to fulfill corporate social responsibilities, protect basic human rights and related rights and interests of employees, the Company has formulated its employee human rights policies and sexual harassment prevention</p>	(I) No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Description (Note 2)							
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		<p>complaints and punishment measures in accordance with labor laws, international labor and human rights conventions and other norms, so that the entire company can act in accordance with the social responsibilities and labor conditions related to labor rights. All personnel rules are formulated in accordance with relevant government labor laws. All employees are treated equally within the Company. The Company is also committed to ensuring the right to work of every employee and focusing on talent cultivation, so that employees have the opportunity to give full play to their abilities.</p> <p>The specific measures are as follows:</p> <table> <tr> <th>Items</th> <th>Specific measures</th> </tr> <tr> <td>Prohibition of child labor</td> <td>The Company does not employ child labor and does not support the employment of individuals under the age of 16.</td> </tr> <tr> <td>Prohibition of forced labor</td> <td>           1. The Company does not use or support the use of forced labor and does not require employees to pay deposits or surrender identity documents at the start of employment.            2. The Company will never withhold any portion of employees’ wages, benefits, property, or personal documents to compel them to continue working.         </td> </tr> </table>	Items	Specific measures	Prohibition of child labor	The Company does not employ child labor and does not support the employment of individuals under the age of 16.	Prohibition of forced labor	1. The Company does not use or support the use of forced labor and does not require employees to pay deposits or surrender identity documents at the start of employment. 2. The Company will never withhold any portion of employees’ wages, benefits, property, or personal documents to compel them to continue working.	(I) No major difference
Items	Specific measures									
Prohibition of child labor	The Company does not employ child labor and does not support the employment of individuals under the age of 16.									
Prohibition of forced labor	1. The Company does not use or support the use of forced labor and does not require employees to pay deposits or surrender identity documents at the start of employment. 2. The Company will never withhold any portion of employees’ wages, benefits, property, or personal documents to compel them to continue working.									

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V			3. Employees have the right to leave the workplace after completing standard working hours. They may also freely terminate their employment contract with reasonable notice to the Company.
			Provision of a safe and healthy working environment	
				<p>1. The Company is committed to ensuring that all operations comply with national laws and adhere to internationally recognized environmental and social responsibility standards, with a focus on continuous improvement.</p> <p>2. Provide a safe and healthy working environment, and take necessary and effective measures to minimize workplace hazards and risks. This is to prevent work-related incidents or occupational accidents that could endanger employees’ health. A designated management department head is responsible for ensuring a healthy and safe working environment for all employees and for implementing all relevant provisions of this policy.</p> <p>3. Provide effective health and safety training regularly to employees. Retraining is also conducted for new</p>
				(I) No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		<p>hires, transferred staff, or those working in areas where incidents have occurred.</p> <p>4. Mechanisms are established to detect, prevent, and respond to potential threats to employee health and safety. The Company maintains written records of all incidents that occur in the workplace, including in employee housing and property under the Company’s control.</p> <p>5. The Company provides employees with appropriate personal protective equipment during work. In the event of a work-related injury, first aid is provided, and assistance is given to ensure access to follow-up medical treatment.</p> <p>6. Assess all risks associated with female employees during pregnancy, and ensure that reasonable measures are taken to eliminate or reduce health and safety risks. The Company does not require female employees to work between 10:00 p.m. and 6:00 a.m., unless approved by the labor-management meeting and proper health and safety facilities are provided, along with transport home or dormitory arrangements.</p>	(I) No major difference

Assessment item	Implementation Status (Note 1)				Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)		
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V			Employees who need to personally breastfeed children under the age of three are entitled to two breastfeeding breaks during working hours each day, with each break limited to 30 minutes, in addition to their regular rest periods. 7. The Company provides employees with clean restroom facilities, drinking water, and hygienic food storage facilities where necessary. 8. The Company provides dormitory accommodations for employees and ensures that the living environment is clean and safe, with emergency exits, bathing facilities, adequate ventilation for heat dissipation, and reasonable personal space. 9. All employees have the right to leave or eliminate imminent and serious dangers to their work, even without prior approval from the Company.	(I) No major difference
				Freedom of association and the right to collective bargaining	



Assessment item	Implementation Status (Note 1)					Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)			
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V				that they are free to join an organization of their choice. 2. Employees may openly communicate with management regarding working conditions through labor-management meetings without fear of retaliation, threats, or harassment.	(I) No major difference
				Prohibition of discriminatory practices	1. In matters related to employment, compensation, training opportunities, promotion, termination, or retirement, the Company does not engage in any form of discrimination based on race, social class, nationality, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation, age, or any other status.. 2. The Company does not interfere with employees’ rights to practice their beliefs and customs, and does not tolerate discriminatory treatment based on race, social class, nationality, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, union membership, political affiliation, or any	

Assessment item	Implementation Status (Note 1)					Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)			
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V				other reason. 3. The Company strictly prohibits any acts of threats, abuse, exploitation, or coercive sexual harassment—including gestures, language, or physical contact—within the workplace, employee dormitories, or any other company-related premises.	(I) No major difference
				Prohibition of disciplinary measures	The Company respects all employees and upholds their dignity. It shall not engage in or support corporal punishment, mental or physical coercion, or verbal abuse, nor shall it treat employees in a harsh or inhumane manner.	
				Working hours	1. The Company complies with applicable labor laws regarding working hours. Standard weekly working hours and overtime are managed in accordance with legal requirements, and employees are guaranteed at least one rest day in every seven-day period. 2. If employees are required to work overtime to meet short-term business needs, this will be arranged through mutual agreement, and the Company will respect their willingness. All	

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V			(I) No major difference
			<div> <div>Compensation</div> <div> <p>overtime work is strictly voluntary.</p> <p>1. The Company guarantees that wages paid within a standard working month meet at least the legal minimum wage requirements and are sufficient to cover employees’ basic needs.</p> <p>2. The Company ensures that wages are not deducted as a disciplinary measure, unless permitted by applicable laws or agreed upon through free and collective negotiation with employees.</p> <p>3. The Company regularly provides employees with clear and detailed information regarding their wages and compensation structure, and ensures that all payments comply fully with applicable laws. Wages and compensation are paid in cash, by check, or in any form that is convenient for employees.</p> </div> </div> <p>2. In 2024, in addition to providing human rights protection training for new employees, department supervisors also continuously promoted human rights policies to current staff through departmental meetings. As a result, all current employees (598 participants) completed the training, achieving a 100% completion rate.</p>	

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(II) Does the company establish and offer proper employee benefits (including compensation, leave, and other benefits) and reflect the business performance results in employee compensation appropriately?	V		(II) The Company’s relevant employee welfare measures (including salary, vacation and other benefits) are all in compliance with laws and regulations. The Company allocates employee remuneration using the current year’s profit in accordance with the Company’s Articles of Association, and issues employee performance appraisal management regulations in conjunction with employee performance.	(II) No major difference
(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	V		(III) 1.In order to strengthen safety and health, the Company has set up a labor safety and health office, which is responsible for safety and health matters. It routinely strengthens employee education, drills, and occupational disaster training, so that employees have safety and health knowledge and skilled work skills, so as to avoid public security accidents and ensure safety of personnel and property. In 2024, a total of 111 employees held work safety professional certificates. 2.In accordance with the Occupational Safety and Health Act, the Company provides on-the-spot health services for specially appointed doctors and nurses in the workplace, and employs on-site nurses to handle labor health protection matters such as health management, occupational disease prevention and health promotion, assist in promoting labor health protection work, create a healthy and friendly workplace environment, and organize health promotion activities, with 326 employees	(III) No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	V		<p>participating in 2024.</p> <p>3.In 2024, a total of 3 employee occupational accidents (excluding traffic occupational accidents) occurred, 3 people were injured and 0 people died, accounting for 0.52% of the total employees</p> <p>The Company conducted accident investigations immediately after the accidents to clarify the cause of the accidents, formulated specific improvement measures, and convened other relevant departments to jointly review if necessary. In each case, immediate improvement and protection are made from the basic cause, then the indirect cause is discussed and improved, and an “incident investigation report form” is made. At the same time, the case will be used to re-publish and publicize the hazards and precautions in the workplace.</p> <p>4.The company arranges general safety and hygiene education and training for new recruits for 3hrs; upon entering a section-level division, an additional 3hrs of work safety training in the unit is arranged. Three hours will be added respectively for those who operate productive machinery or equipment or oxygen deficiency/electric welding works; three additional hours will be added for those who manufacture, dispose of, or use hazardous chemicals. The total number of workers in work safety trainings of the Company in 2024 is 598, and the total training time is up to 5,731 hours.</p>	(III) No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
(IV) Does the company provide effective career development and training plans for its employees?	V		(IV) To enhance its overall competitiveness and increase the work skills of employees, the Company achieves systematic improvement and growth in cooperation with relevant education and training plans.	(IV) No major difference
(V) Does the company comply with relevant laws, regulations and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services, and does the company establish related consumer or client protection policies and grievance procedures?	V		(V) The Company provides transparent, privacy-protected and effective consumer complaint procedures for products and services, and lists them as key internal quality indicators to protect the rights and interests of consumers. Stakeholders can also contact the company through the “Contact Us” area set up on the Company's website or through phone, fax, or mailbox, and it will be handled by a dedicated person to protect consumer rights The Company has obtained the certifications of AS9100D and ISO9001:2015.	(V) No major difference
(VI) Does the company formulate a supplier management policy requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health, labor rights, and supervised the compliance?	V		(VI) The company has formulated and provided suppliers with “Lee Chi Supplier Requirements”, clearly requiring suppliers to comply with quality, environment, occupational safety, health and other specifications, etc., and regularly (monthly) implement supplier assessments When necessary, quality assurance personnel conduct supplier counseling to improve. The Company trades with hundreds of suppliers to promote local economic development and has made significant contributions to social development for a long time.	(VI) No major difference

Assessment item	Implementation Status (Note 1)			Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Description (Note 2)	
V. Does the company prepare and publish non-financial reports such as the sustainable development report in reference to internationally recognized reporting principles or guidelines? Are such reports verified or assured by a third party accreditation institution?		V	The Company is currently preparing a sustainability report in accordance with the GRI standards, and is expected to complete the 2024 annual sustainability report in August 2025, and plans to obtain a guarantee opinion from a third-party verification unit.	No major difference
VI. Where the company has adopted its own best practices on sustainable development according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any differences between the prescribed best practices and actual activities undertaken by the company: The Company has discussed and drafted a code of practice for sustainable development, and actively implemented various sustainable development measures according to the actual needs of the Company.				
VII. Any important information useful for understanding the state of sustainable development implementations: 1. The Company pays much attention to the maintenance of community relations, and has long-term good contacts with Shipai and Kuaiguan communities, where it is located. In addition to donating to community activities, in recent years, it has adopted road cleaning and Shipai Park in the community, and has invested in manpower for cleaning and maintenance to provide the community residents with a good recreational environment. 2. Health promotion activities: In 2024, we will handle employee health examinations (including special health examinations), set up special services for vocational doctors every month, health consultation, health education information promotion, and epidemic prevention advocacy. Health promotion activities such as "Hearing Health and Care Seminars—3 Sessions", "Four Major Programs Educational Training—2 Sessions", "Weight Loss Program", "Human Factors in Health Promotion Seminar", "Blood Donation for Healthy Health", "Mental Health Promotion Seminar on Psychological Issues", and "AED + Simple CPR Education and Training" were held, with a total of 326 participants. 3. Sponsoring schools and communities: The Company sponsored talent groups and LED caption machines of Shipai Elementary School, scholarships for Chienkuo Technology University, fixed-point shared meals and year-end parties for Shipai Community, etc.				

Note 1: If “Yes” is checked for the Implementation Status, please describe the important policies, strategies and measures taken and the implementation status; if check “No” is checked for the Implementation Status, please explain the reasons and describe the relevant policies, strategies and plans or measures to be taken in the future in the “Differences with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons” column.

Note 2: The materiality principle refers to a significant impact of relevant environmental, social and corporate governance issues on the Company’s investors and other interested parties.

**(VI) Performance in Ethical Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and Reasons Thereof:**

Assessment item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Formulate ethical corporate management best practice policies and plans				
(I) Does the company establish the ethical corporate management policies approved by the board of director and specify rules and activities related to ethical corporate management in its bylaws and external documents? Do the company's Directors and management actively fulfill their commitment to corporate policies?	V		(I) The Company's Board of Directors has formulated the Ethical Corporate Management Best Practice Principles and announced it on the MOPS and its official website, and actively implemented the policy related to ethical corporate management to prevent the occurrence of dishonest behaviors in order to create a good and sustainable business environment.	(I) No major difference
(II) Does the company establish a risk assessment mechanism against unethical conduct? Does the company, on a regular basis, analyze and assess business activities within its business scope which are at a higher risk of being involved in unethical conduct? Does the company put in place preventive programs for the items prescribed in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) The Company clearly stipulates in the work rules and personnel management regulations related to employee rewards and punishments that all employees should promptly notify the management when they discover violations of policies and ethics.	(II) No major difference



Assessment item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the Company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system? Does the Company implement such programs and review the prevention programs on a regular basis?	V		(III) In the Company, the Legal Affairs Section organizes the signing of contracts to prevent the signed content from being illegal, and the Auditing Office conducts inspections from time to time.	(III) No major difference
II. Implementing ethical corporate management (I) Does the company evaluate ethical records of its counterparty? Do the contracts signed by the Company and its trading counterparties clearly provide terms on ethical conduct?	V		(I) For commercial activities, the Business Department conducts customer review and evaluation, the Procurement Division and the Quality Assurance Division are responsible for supplier evaluation, and the Legal Affairs Section reviews the terms of the signed contract to avoid making transactions with people with records of dishonest behaviors.  In addition, the Company clearly stipulates in the work rules and personnel management regulations related to employee rewards and punishments that, when performing business, employees shall not provide, accept or require valuable gifts, and that no suppliers shall accept gifts or receive kickbacks and are not allowed to carry out transactions with related parties. If there is a violation, the transaction will be suspended in order to seek the most reasonable price, the best quality and the best service.	(I) No major difference

Assessment item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the company establish an exclusively (or concurrently) dedicated unit to promote ethical corporate management and to answer to the Board of Directors? Does such unit regularly (at least once a year) report to the Board of Directors on the monitoring and implementation of its ethical corporate management policies and prevention measures of unethical behaviors?	V		<p>(II) The Company has always operated in good faith, established a good corporate governance system for the Board of Directors, improved supervision functions and strengthened management functions, and formulated the Rules of Procedure for Board of Directors Meetings in accordance with regulations to facilitate compliance. The integrity management promotion team is formed by the relevant departments, responsible for the promotion of the integrity management policy and prevention plan. The team reports its operation and implementation status to the Board of Directors regularly (at least once a year) so as to fulfill the monitoring responsibility of ethical corporate management.</p> <p>Implementation status of 2024: includes continuous education and training and legal compliance promotion, strengthening the prevention of prohibition of insider trading, regular inspection, etc.</p>	(II) No major difference
(III) Does the company establish policies preventing conflict of interest, provide proper channels of appeal, and enforce these policies accordingly?	V		<p>(III) The relevant internal management regulations of the Company are published on the Company's internal website, and colleagues will be notified when they are revised.</p> <p>In addition, the Company's Rules of Procedure for Board of Directors Meetings has a system for avoiding the interests of directors. If the meeting matters have an interest with directors themselves or the legal person they represent and this is likely to be harmful to the interests of</p>	(III) No major difference

Assessment item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the company establish policies preventing conflict of interest, provide proper channels of appeal, and enforce these policies accordingly?	V		<p>the Company, they must state their opinions and answer inquiries, shall not participate in discussion and voting, shall evade during discussion and voting, and may not act for other directors to exercise their voting rights.</p> <p>The Company has set up the “Management Procedures for the Processing of Internal Significant Information and Prevention of Insider Transactions”, which stipulate that the directors, supervisors, managerial officers and employees of the Company shall not disclose material internal information that they are aware of to others, and shall not inquire or collect undisclosed major internal information of the Company that is not related to personal duties from persons who are aware of major internal information of the Company.</p>	(III) No major difference
(IV) Does the company establish effective accounting systems and internal control systems to enforce ethical corporate management? Does its internal audit department, based on the results of risk assessment on unethical conducts, devise relevant audit plans and audit the compliance with the prevention programs accordingly or commissioned a CPA to conduct the audit?	V		<p>(IV) The Company has established an effective accounting system and internal control system, and formulated relevant operating methods. It can review and revise them at any time according to laws and regulations or actual operating requirements.</p> <p>The Company’s managerial officers, internal units, subsidiaries and audit departments shall conduct self-inspection of the internal control system at least once a year and prepare a report to ensure that the self-inspection of the internal control system is carried out.</p> <p>According to the annual audit plan approved by the Board of Directors, the audit department actually performs the audit</p>	(IV) No major difference

Assessment item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Does the company establish effective accounting systems and internal control systems to enforce ethical corporate management? Does its internal audit department, based on the results of risk assessment on unethical conducts, devise relevant audit plans and audit the compliance with the prevention programs accordingly or commissioned a CPA to conduct the audit?	V		work. The audit supervisor sends a report to be reviewed by the audit committee in the month following the completion of the audit project (or tracking project), attends the Board of Directors to report the audit business, and regularly reports to the audit committee the annual audit business and annual self-inspection and internal control operations.	(IV) No major difference
(V) Does the company regularly organize internal and external trainings for ethical corporate management?	V		(V) The Company cooperates with internal and external training held from time to time to promote and implement relevant laws and regulations on ethical corporate management.	(V) No major difference
III. Operation status of a whistleblowing system				
(I) Does the company adopt concrete a whistleblowing and reward system and accessible whistleblowing channels, and does the company assign suitable and dedicated personnel for the cases exposed by the whistleblowers?	V		(I) There are multiple reporting and appeal channels, such as emails, employee suggestion boxes, appeal channels, etc. and related disciplinary measures. They are reviewed and revised from time to time to create an effective and sufficient channel for communication of opinions, so that any problems can be communicated quickly and solved effectively.	(I) No major difference
(II) Has the Company established standard operating procedures for investigating the complaints received, actions to be taken upon the completion of investigation, and mechanisms for confidentiality?	V		(II) The Company accepts the investigation of complaints received and cooperates with relevant mechanisms for confidentiality.	(II) No major difference

Assessment item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the Company adopt protection measures against inappropriate disciplinary action on the whistleblowers?	V		(III) The Company takes protection measures against inappropriate disciplinary action on whistleblowers.	(III) No major difference
IV. Enhance information disclosure Does the company disclose the content of its best practices on ethical corporate management and the effectiveness of its activities on its official website or MOPS?	V		The Company announces various financial and business information on the public information observatories and the Company's website to improve the transparency of the Company's operations. The responsible departments are in charge of collecting, revealing and updating regularly relevant content and promoting effectiveness, to facilitate the accuracy of information disclosure.	No major difference
V. Where the company has formulated its own best practices on ethical corporate management in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the prescribed best practices and actual action taken by the company: The Company has formulated the Ethical Corporate Management Best Practice Principles, complies with domestic laws and regulations, requires employees to abide by relevant audit, internal control and related internal management regulations, and strengthens implementation in accordance with the company's current situation and laws and regulations.				
VI. Other important information to facilitate better understanding of the Company's ethical corporate management: (e.g., review of and amendments to ethical corporate management policies) The Company always pays attention to the development of relevant standards for ethical corporate management at home and abroad, and reviews and improves the Company's ethical corporate management policies to enhance the effectiveness of the Company's ethical corporate management.				

Note 1: Whether the implementation status is checked "Yes" or "No", it should be stated in the summary description column.

**(VII) Other information enabling better understanding of the Company's corporate governance:**

**These principles have been disclosed through the Company's website and the Market Observation Post System (MOPS).**

**1. Operating Procedures for Handling Internal Material Information of the Company:**

(1)The Company has established the Operating Procedures for Handling Internal Material Information, which specifies the handling and disclosure mechanism for the internal material information of the Company and serves as the basis for observation, implementation and cooperation by all employees, managers, directors and supervisors of the Company.

(2)The Company annually forwards the promotional manual of the Insiders' Equity Trading by Listed Company issued by Taiwan Stock Exchange to insiders and reiterates relevant laws they should cooperate to obey.

**2. Status of licenses required by competent authorities held by personnel of the Company involved in the transparency of financial information:**

CPA, Republic of China: 1

**3. Education and Training for Managers Involved in Corporate Governance**

**Continuing Studies of Directors and Managerial Officers in 2024**

Title & Name	Date	Training Institution	Course Name	Duration
Chairman Lin, Yu-Hsin	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours
	2024.04.18	Taiwan Institute of Directors	Analysis of the Thinking Perspectives on Wealth Inheritance	3 hours
	2024.09.12	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulation	3 hours
President & Director Lin, Yi-Hsien	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours
	2024.07.21	Taiwan Investor Relations Institute	Functions and prospects of carbon exchanges & how the board of directors supervises the company to establish and improve risk management mechanisms	3 hours

Title & Name	Date	Training Institution	Course Name	Duration
	2024.10.04	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net Zero Carbon Emission Promotion Conference	6 hours
	2024.11.01	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net Zero Carbon Emission Promotion Conference	3 hours
Director Representative of Ko Fu Investment Co., Ltd.: Chu, Ming-Yang	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours
	2024.10.04	Securities and Futures Institute	2024 Prevention of Insider Trading Promotion Conference	3 hours
Director Representative of Ko Fu Investment Co., Ltd.: Lee, Yu-Cheng	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours
	2024.10.04	Taiwan Corporate Governance Association	Net Zero Carbon Emission Promotion Conference	3 hours
Independent Director Chen, Kuei-Tuan	2024.04.15	National Federation of Certified Public Accountant Associations. R.O.C.	Money Laundering Prevention Development and Case Studies	3 hours
	2024.04.23	National Federation of Certified Public Accountant Associations. R.O.C.	Analysis of the practical application of CFC for companies and individuals - and verification of overseas funds remittance	3 hours
	2024.11.14	Taiwan Corporate Governance Association	Labor Dispute Prevention and Corporate Governance	3 hours
Independent Director Chen, Yung-Hsueh	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours
	2024.09.06	Securities and Futures Institute	2024 Prevention of Insider Trading Promotion Conference	3 hours
Independent Director Ma, Hui-Chen	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Business Sustainability Workshop	3 hours
	2024.06.19	National Federation of Certified Public Accountant Associations. R.O.C.	Money Laundering Prevention International Development and Practices	3 hours

**(VIII) Internal Control System Execution Status:**

1. Statement on Internal Control: Please refer to the Market Observation Post System:  
<https://mopsov.twse.com.tw/nas/cont06/c1517113011140319.pdf>
2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.

**(IX) Major Resolutions of Shareholders' Meeting and Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report:****1. Important Resolutions made by the 2023 Shareholders' Meeting and Implementation Status**

Date	Important Resolutions made by the Shareholders' Meeting	Implementation Status
2024.06.25	Ratification Items 1. Ratification of the 2023 Business Report and Financial Statements 2. Ratification of the 2023 Earnings Distribution Proposal	The 2023 Earnings Distribution Proposal distributed cash dividend at NT\$0.20 per share with the ex-dividend date set at September 13, 2024, and the distribution was completed on October 09, 2024.

**2. Important Reports or Resolutions of the Board of Directors**

Date	The 15th Board of Directors - Important Reports or Resolutions
2024.03.14	1st Board Meeting for 2024 1. Approved the notes on the Company's ability regarding the in-house preparation for financial reports. 2. Ratification of purchase of liability insurance for directors. 3. Ratification of the report on the results of the performance evaluation for the Board of Directors for 2023 (including the Board of Directors, individual directors and functional committees). 4. Ratification of the report on the implementation of the intelligent property management for 2023. 5. Submit the planning content of the "Sustainable Development Roadmap for Listed Companies", disclose greenhouse gas inventory information and conduct verification, relevant schedule planning and procedures, and coordinate with the progress of the promotion. 6. Adopted the increase in the loan amount through the company's capital loan and reinvestment in the U.S. subsidiary CGI, and its accounts receivable exceeding the normal credit term shall be regarded as financing and capital



Date	The 15th Board of Directors - Important Reports or Resolutions
2024.03.14	<p>increase.</p> <ol style="list-style-type: none"> <li>Adopted the proposal to discuss and assess the independence and competency of the certifying CPAs appointed by the Company.</li> <li>Adopted the proposal to appoint the certifying CPAs of the Company.</li> <li>Adopted the non-distribution proposal for directors' remuneration and employee remuneration in 2023.</li> <li>Adopted the proposal to accept the 2023 Consolidated and Parent Company Only Financial Statements and Business Report.</li> <li>Adopted the Company's 2023 "Internal Control System Effectiveness Assessment" and the "Statement on Internal Control".</li> <li>Adopted the 2023 Earnings Distribution Proposal.</li> <li>Adopted the 2024 Business Plan.</li> <li>Adopted the proposal to formulate plans associated with the 2024 Annual Shareholders' Meeting.</li> </ol>
2024.05.10	<p>2nd Board Meeting for 2024</p> <ol style="list-style-type: none"> <li>By cooperating with the internal adjustment of the accounting firm, the accountants have been replaced since the first quarter of 2024.</li> <li>Ratification of the Company's Q1 2024 Consolidated Financial Statements.</li> <li>Adopted the proposal to increase the line of credit for the Company's funds lending to its reinvested American subsidiary CGI and the proposal that if the accounts receivable from the American subsidiary fall overdue after the normal credit term expires, the accounts shall be considered as financing.</li> <li>Adopted the resolution on the short-term general credit line as well as hedging limit for financial commodity trading granted by financial institutions.</li> </ol>
2024.08.09	<p>3rd Board Meeting for 2024</p> <ol style="list-style-type: none"> <li>Reported the relevant time schedule and progress in response to the planning of "Sustainable Development Roadmap for Listed Companies".</li> <li>Ratification of the Company's Q1 2024 Consolidated Financial Statements.</li> <li>Adopted the proposal to increase the line of credit for the Company's funds lending to its reinvested American subsidiary CGI and accounts receivable that exceed the normal credit period are regarded as financing.</li> <li>Adopted a strategy to expand into the European market by establishing a new subsidiary through the U.S. subsidiary, CGI.</li> <li>Adopted "Sustainability Report Preparation and Verification Procedures"</li> <li>Adopted "2023 annual sustainability report".</li> </ol>
2024.11.11	<p>4th Board Meeting for 2023</p> <ol style="list-style-type: none"> <li>Reported the relevant time schedule and progress in response to the planning of "Sustainable Development Roadmap for Listed Companies".</li> </ol>

Date	The 15th Board of Directors - Important Reports or Resolutions
2024.11.11	<ol style="list-style-type: none"> <li>2. Ratification of the Company's Q3 2024 Consolidated Financial Statements.</li> <li>3. Adopted the proposal on the line of credit for the Company's funds lending to the grandson company PROMAX (Kunshan) Co., Ltd.</li> <li>4. Adopted the proposal to increase the line of credit for the Company's funds lending to its reinvested American subsidiary CGI.</li> </ol>
2024.12.17	<p>5th Board Meeting for 2024</p> <ol style="list-style-type: none"> <li>1. Ratification of the 2024report on Implementation of Ethical Corporate Management.</li> <li>2. Ratification of the 2024 Cyber Security Governance Report.</li> <li>3. Ratification of the report on communication between the Company and its stakeholders for 2024.</li> <li>4. Reported the relevant time schedule and progress in response to the planning of "Sustainable Development Roadmap for Listed Companies".</li> <li>5. Reported the result of the meeting between the independent directors, CPAs and the chief internal auditor exclusively before the commencement of the Audit Committee on December 17, 2024. There were no opinions between the participants.</li> <li>6. Adopted the 2023 remunerations to the managers and employees and 2024 end-of-year bonus plan for the managers proposed by the Remuneration Committee and the Audit Committee.</li> <li>7. Adopted the resolution on the short-term general credit line as well as derivative financial commodity trading credit granted by financial institutions.</li> <li>8. Adopted the proposal to increase the line of credit for the Company's funds lending to the American subsidiary CGI.</li> <li>9. Adopted the revision of the company's internal control system by adding control system procedures related to "Sustainability Information Management"</li> <li>10. Adopted the proposal on the Internal Audit Plan for 2025.</li> </ol>
2025.03.14	<p>1st Board Meeting for 2025</p> <ol style="list-style-type: none"> <li>1. Approved the notes on the Company's ability regarding the in-house preparation for financial reports.</li> <li>2. Ratification of purchase of liability insurance for directors.</li> <li>3. Ratification of the report on the results of the performance evaluation for the Board for 2024 (including the Board of Directors, individual directors and functional committees).</li> <li>4. Ratification of the report on the implementation of the intellectual property management for 2024.</li> </ol>

Date	The 15th Board of Directors - Important Reports or Resolutions
2025.03.14	<ol style="list-style-type: none"> <li>5. Reported the relevant time schedule and progress in response to the planning of “Sustainable Development Roadmap for Listed Companies”.</li> <li>6. Adopted the increase in the loan amount through the company's capital loan and reinvestment in the U.S. subsidiary CGI, and its accounts receivable exceeding the normal credit term shall be regarded as financing and capital increase.</li> <li>7. Adopted the proposal to discuss and assess the independence and competency of the certifying CPAs appointed by the Company.</li> <li>8. Adopted the proposal to appoint the certifying CPAs of the Company.</li> <li>9. Adopted the non-distribution proposal for directors’ remuneration and employee remuneration in 2024.</li> <li>10. Adopted the proposal to accept the 2024 Consolidated and Parent Company Only Financial Statements and Business Report.</li> <li>11. Adopted the Company’s 2024 “Internal Control System Effectiveness Assessment” and the “Statement on Internal Control”.</li> <li>12. Adopted the 2024 Earnings Distribution Proposal.</li> <li>13. Adopted the 2025 Business Plan.</li> <li>14. Adopted the definition of the company's grassroots employees.</li> <li>15. Adopted the amendment of the “Articles of Incorporation”</li> <li>16. Adopted the proposal on matters related to the convening of the 2025 general meeting of shareholders.</li> </ol>
2025.05.13	<p>2nd Board Meeting for 2025</p> <ol style="list-style-type: none"> <li>1. Ratification of the Company’s Q1 2024 Consolidated Financial Statements.</li> <li>2. Adopted the proposal to increase the line of credit for the Company’s funds lending to its reinvested American subsidiary CGI and the proposal that if the accounts receivable from the American subsidiary fall overdue after the normal credit term expires, the accounts shall be considered as financing.</li> <li>3. Adopted the resolution on the short-term general credit line as well as hedging limit for financial commodity trading granted by financial institutions.</li> <li>4. Adopted setting the base date for the capital reduction for the third share repurchase.</li> <li>5. Adopted the general manager’s change case.</li> </ol>

**(X) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the board of directors during the most recent year and up to the date of publication of this annual report: None.**

#### IV. Information on certifying CPA professional fees

##### I. Range of CPA professional fees

Unit: NT\$1,000

Name of CPA Firm	Name of the CPA		Audit Period	Audit Fees	Non-audit Fees	Total	Note
Deloitte & Touche	Liu, Li-Wei	Wang, Hsiang-Min	2024 Q1 ~ Q4 financial statements	2,480	530	3,010	In accordance with the internal rotation of the CPA firm

II. Please verify the contents of non-audit fees: Tax compliance audit and agreed-upon procedures amounting to NT\$530 thousand.

III. The facts of changing the CPA Firm and the CPA fee paid in the year of change decreased from the preceding year: Not applicable.

IV. Decrease of CPA fee by more than 10% compared with that in the preceding year: Not applicable.

#### V. Information on replacement of CPAs:

##### I. Range of CPA professional fees

Date of Change	April 18, 2024		
Reasons and Explanation of Changes	In accordance with the internal rotation of the CPA firm		
State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Party	CPA	Client
	Status		
	Appointment terminated automatically	Not applicable	Not applicable
	Appointment rejected (discontinued)	Not applicable	Not applicable
The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	Not applicable		

Is There Any Disagreement in Opinion with the Issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	No	V	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4 to10.6.1.7 of the Standards)	Not applicable		

## II. Successor CPAs

Accounting Firm	Deloitte & Touche
CPA	Liu, Li-Wei and Wang, Hsiang-Min
Date of Engagement	April 18, 2024
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	Not applicable
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	Not applicable

III. The reply of former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: Not applicable

**VI. The Company's Chairman, President, manager in charge of financial or accounting affairs who have been employed in the firm that the certifying CPAs work for or its affiliated enterprises in the most recent year: None.**

**VII. In the most recent year and as of the date of publication of the annual report, the status of the transfer of shares of directors, supervisors, managers and shareholders whose shareholding ratio exceeds 10% and changes in share pledge**

(I) Stock transfers with related parties: Please refer to the Market Observation Post System:  
([https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1))

(II) Stock pledges with related parties: Please refer to the Market Observation Post System:  
([https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1))

**VIII. Relationship information, if among the Company's 10 largest shareholders any one is a related party, a spouse, or a relative within the second degree of kinship of another**

Name (Note 1)	Shareholding in person		Spouse & Minor Shareholding		Shareholding in Nominee		Designation or name and relationship, if anyone among the Company's 10 largest shareholders is a related party, a spouse, or a relative within the second degree of kinship of another. (Note 3)		Note
	Shares	%	Shares	%	Shares	%	Designation (or name)	Relationship	
Special property account of Ye-Jung Lee trusted with UBS Taipei Branch	22,274,684	9.86%	0	0	0	0	-	-	-
Lee Wong Investment Co., Ltd. Representative: Lin, Yu-Sheng	22,047,000	9.76%	0	0	0	0	Lin, Yi-Hsien Lin, Chung-Ying Lin, Yu-Hsin	Sister and brother Sister and brother Brothers	-
Lin, Yu-Hsin	13,328,760	5.90%	0	0	1,407,000	0.62%	Lin, Yi-Hsien Lin, Chung-Ying Lin, Yu-Sheng	Sister and brother Sister and brother Brothers	-
Lin, Yu-Sheng	9,562,375	4.23%	0	0	0	0	Lin, Yi-Hsien Lin, Chung-Ying Lin, Yu-Hsin	Sister and brother Sister and brother Brothers	-
Lin, Yi-Hsien	9,190,036	4.07%	0	0	0	0	Lin, Chung-Ying Lin, Yu-Sheng Lin, Yu-Hsin	Sisters Sister and brother Sister and brother	-
Lin, Chung-Ying	9,009,127	3.99%	0	0	0	0	Lin, Yi-Hsien Lin, Yu-Sheng Lin, Yu-Hsin	Sisters Sister and brother Sister and brother	-
Shih, Shan-Hsiung	1,689,022	0.74%	422,000	0.18%	0	0	-	-	-
Ko Fu Investment Co., Ltd. Representative: Lin, Yu-Hsin	1,407,000	0.62%	0	0	0	0	Lin, Yi-Hsien Lin, Chung-Ying Lin, Yu-Hsin	Sister and brother Sister and brother Brothers	-
Lai, Ming-Cheng	1,400,000	0.62%	0	0	0	0	Lai, Jun-Hong	Brothers	-
Lai, Jun-Hong	1,398,718	0.61%	0	0	0	0	Lai, Ming-Cheng	Brothers	-

Note 1: All the top ten shareholders should be listed. If they are legal person shareholders, the names of the legal person shareholders and the names of their representatives shall be disclosed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in their own name, spouse, minor children, or in the name of others.

Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship in accordance with the issuer's financial report preparation standards.

**IX. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company**

Unit: Thousand shares; %

Investee	Held by The Company		Directors, supervisors, managerial officers and investment of direct or indirect control of companies		Comprehensive investment	
	Shares	%	Shares	%	Shares	%
Lee Chi International Holding Limited (B.V.I) (Note)	23,500	100%	0	0	23,500	100%
Chief Venture Capital Corporation (Note)	11,000	55%	3,500	17.50%	14,500	72.50%
THE Cycle Group, Inc.(Note)	6,000	100%	0	0	6,000	100%
BOX B.V.(Note)	0	0	0.1	100%	0.1	100%

Note: It is a long-term investment of the Company accounted for under the equity method.



# Chapter III. Information on Capital Raising Activities

## I. The Company's capital and shares

### (I) Sources of capital

(Unit: NT\$; Thousand shares)

Year/ Month	Issue price per share (NTD)	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Source of equity	Those who use property other than cash to take out the share price	Other
1973.05	1,000	0.4	400	0.4	400	Cash creation share capital	None	None
1979.06	1,000	1	1,000	1	1,000	Cash increase	None	None
1981.07	1,000	5	5,000	5	5,000	Cash increase	None	None
1986.03	1,000	35	35,000	35	35,000	Cash increase	None	None
1989.12	10	10,000	100,000	10,000	100,000	Cash increase	None	None
1991.01	10	19,900	199,000	19,900	199,000	Cash increase	None	None
1992.12	10	42,000	420,000	40,049	400,490	NT\$101,490 thousand capital increase by retained earnings and NT\$100,000 thousand cash increase	None	None
1995.02	10	50,000	500,000	44,454	444,544	NT\$44,053,900 capital increase by retained earnings	None	None
1995.11	10	51,123	511,225	51,123	511,225	NT\$66,681,590 capital increase by retained earnings	None	None
1996.09	10	110,000	1,100,000	66,459	664,593	NT\$153,368 thousand capital increase by retained earnings	None	None
1997.01	10	110,000	1,100,000	80,000	800,000	New shares issued for cash NT\$135,407 thousands	None	None
1997.09	10	110,000	1,100,000	100,800	1,008,000	NT\$208,000 capital increase by retained earnings	None	None
1998.02	10	110,000	1,100,000	110,000	1,100,000	Cash increase NT\$92,000 thousand	None	None
1998.09	10	219,000	2,190,000	152,350	1,523,500	NT\$313,500 thousand capital increase by retained earnings and NT\$110,000 thousand capital increase by capital reserve	None	None
1999.08	10	219,000	2,190,000	210,243	2,102,430	NT\$396,110 thousand capital increase by retained earnings and NT\$182,820 thousand capital increase by capital reserve	None	None
2000.08	10	231,267	2,312,673	231,267	2,312,673	NT\$210,243 thousand capital increase by retained earnings	None	None
2005.09	10	236,824	2,368,240	236,824	2,368,240	NT\$55,567 thousand capital increase by retained earnings	None	None
2007.10	10	236,824	2,368,240	227,825	2,278,250	Cancellation of treasury shares NT\$89,990 thousand	None	None
2022.03	10	236,824	2,368,240	225,685	2,256,850	Cancellation of treasury shares NT\$21,400 thousand	None	None

April 28 2025Unit: Thousand shares

Type of shares	Authorized Capital			Note
	Shares outstanding (listed)	Unissued Shares	Total	
Registered common shares	225,685	11,139	236,824	None

Information on shelf registration: None.

## (II) List of Principal Shareholders

April 28 2025

Shareholding Name of major shareholder	Total Shares Owned	%
Special property account of Ye-Jung Lee trusted with UBS Taipei Branch	22,274,684	9.86%
Lee Wong Investment Co., Ltd.	22,047,000	9.76%
Lin, Yu-Hsin	13,328,760	5.90%
Lin, Yu-Sheng	9,562,375	4.23%
Lin, Yi-Hsien	9,190,036	4.07%
Lin, Chung-Ying	9,009,127	3.99%
Shih, Shan-Hsiung	1,689,022	0.74%
Ko Fu Investment Co., Ltd.	1,407,000	0.62%
Lai, Ming-Cheng	1,400,000	0.62%
Lai, Jun-Hong	1,398,718	0.61%

### (III) Dividend Policy and Implementation Status

#### 1. The Company's dividend policy:

- (1) If earnings are found after closing the fiscal year, the Company shall first pay income taxes and make up for any accumulated losses and then report 10% as statutory surplus reserve. However, when the statutory surplus reserve has reached the level of paid-in capital of the Company, the Company no longer has to report such reserve, and the rest could be reported or reversed into special surplus reserve. If undistributed earnings is still exist, it will be combined with accumulated undistributed earnings and the board will propose an earnings distribution motion and ask the shareholders' meeting to resolve the shareholders dividend proposal.
- (2) The Company's dividend policy shall be in line with its current and future development plan, take into consideration the investment environment, capital requirements, domestic and overseas competition, and the interests of shareholders. 6%-30% of distributable earnings may be distributed as dividend and bonus per year, in the form of cash or shares, and the cash dividend shall not be less than 10% of total dividend. However, stock dividend shall be distributed instead if cash dividend is less than NT\$0.5 per share.
- (3) However, the type and ratio of earnings distribution shall be adjusted based on the resolution adopted at the shareholders' meeting according to the actual profit and capital status of the Company for the current year.

#### 2. Implementation status:

The Company's earnings distribution for the year 2023 was determined by the shareholders' meeting on June 25, 2024. The dividend per share was NT\$ 0.2, totaling NT\$44,660 thousand, and the distribution was completed on October 09, 2024.

The Company's earnings distribution for 2024 was proposed by the Board of Directors on March 14, 2025. The earnings will be available for distribution from 2024. Based on the 223,300,007 shares outstanding on the date of the board meeting, the dividend per share is NT\$0.2, totaling NT\$44,660 thousand. It will be finalized after the resolution of the shareholders' meeting. If the outstanding shares are affected by subsequent buy back of the Company's shares, transfer of treasury share, or exercising of stock options by employees, etc., resulting in changes in dividend distribution and the need to make adjustments, the Chairman may be authorized to handle the relevant adjustment matters.

#### 3. Explanation on expected major changes in the dividend policy: None.

Lee Chi Enterprises Co., Ltd.  
Earnings Distribution Table  
2024

Unit: NT\$

Unappropriated retained earnings, beginning balance	\$957,271,947
Net loss after tax	(92,804,243)
Remeasurement of defined benefit plans recognized in retained earnings	12,988,571
Disposal of investments in equity instruments designated at fair value through other comprehensive income, cumulative gains or losses directly transferred to retained earnings	(3,921,306)
Reversal of special reserve in accordance with the laws and regulations	46,648,201
Distributable earning	920,183,170
Less: Distribution items	
Cash dividends to shareholders (NT\$0.2/share)(*223,300,007 shares)	(44,660,001)
Unappropriated retained earnings, ending balance	\$875,523,169

Note:

1. Number of shares issued is 225,685,007. After deducting 2,385,000 of treasury stock repurchased, the number of outstanding shares is 223,300,007 shares.
2. If the outstanding shares are affected by subsequent buy back of the Company's shares, transfer of treasury stock, or exercising of stock options by employees, etc., resulting in changes in dividend distribution and the need to make adjustments, the Chairman may be authorized to handle the relevant adjustment matters.
3. Earning from the most recent year shall first be distributed for the above earnings distribution.
4. The Company's cash dividend is rounded down to the nearest NT\$; and the total decimals dropped are accounted as the Company's other income.

Chairman:  
Lin, Yu-Hsin

President:  
Lin, Yi-Hsien

Accounting Manager:  
Tsai, Fang-Chu

(IV) Impact of the Proposed Bonus Shares on the Company's Operating Performance and

Earnings per Share: Not applicable

(V) Compensation to employees and remuneration to directors and supervisors:

1. Percentage or range of compensation to employees and remuneration to directors

stipulated in the articles of association: If the Company has gained profits within a fiscal year, 2% to 10% of the profits shall be reserved as the employees' compensation, and the Board of Directors shall decide whether to distribute in the form of shares or in cash. The compensation applies to employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company may, upon resolution by the Board of Directors, reserve not more than 2% of the above profit as directors' remuneration. Proposals for the distribution of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting.

In case of accumulated loss, the Company shall reserve a specific amount to make up for losses before distributing employees' remuneration and directors' compensation according to aforementioned ratios.

2. The estimation basis of the estimated amount of compensation for employees and remuneration for directors and supervisors in the current period, the calculation basis of the number of shares for the allotment of stock dividends, and the accounting treatment when the actual allotment amount is different from the estimated amount:

(1) There is no profit in the 2024 final accounts, the remuneration of directors and employees will not be distributed.

(2) The Company did not estimate the allotted stock remuneration in 2024.

(3) Accounting treatment when there is a discrepancy between the actual allotment amount and the estimated amount:

There was no profit in the 2024 final accounts, so employee remuneration and director remuneration were not estimated.

3. Proposed employees' compensation and other information approved by the Board of Directors:

The Company's employees' compensation and directors' remuneration for the year 2024 were approved by the Board of Directors on March 13, 2025.

(1) Allotment of employees' cash compensation, stock compensation and directors' remuneration amount:

There was no profit in the 2023 final accounts, and employee remuneration and director remuneration were not included.

(2) The differences between the amount of allotted employee cash compensation and the remuneration for directors and supervisors and the estimated amount of recognized expenses in 2024, the reason and the handling situation: not applicable.

4. The actual distribution of compensation to employees and remuneration to directors and supervisors (including the number, amount, and share price of distributed shares) for the previous fiscal year, and any discrepancy from the recognized amount for these remunerations should be disclosed along with the differences, reasons and status:

There was no profit in the 2024 final accounts, and employee remuneration, stock remuneration, and director remuneration were not distributed.

(VI) Share repurchases: None

**II. Issuance of corporate bonds, preferred shares, global depository receipts, and employee stock warrants, new restricted employee shares, any merger and acquisition activities (including mergers, acquisitions, and demergers) and handling of shares transferred from other companies: None.**

**III. Status of implementation of capital allocation plans**

(I) Contents of the plans: The previous issuances or private placement of securities have not been completed or have been completed in the last three years and the benefits of the plans have not yet appeared: None.

(II) Implementation status: Not applicable.

## Chapter IV. Operational Overview

### I. Business activities:

#### (I) Business Scope:

##### 1. Principal Businesses Activities:

- (1) Manufacturing, processing and trading of parts for automobiles, motorcycles and bicycles.
- (2) Manufacturing, processing, and trading of general machinery.
- (3) Surface treatment, manufacturing, processing and trading of metal products such as blasting and grinding (sandblasting treatment), surface polishing, electroplating, electrophoresis, anodizing, chemical conversion coating, anti-rust treatment, gloss finishing and surface coating, baking varnish, etc.
- (4) Intermediate service, mold wholesale, machinery wholesale, etc.
- (5) All business not prohibited or restricted by law, except for those subject to special approval.

##### 2. Major products and proportions in business (consolidated):

Major product categories	Proportion in business %
Stem	24.07
Braking system	15.92
Seat post	12.87
Hub	4.14
Others	43.00
Total	100.00

- ##### 3. New Products in Development:
- By cooperating with their own product development and aluminum alloy production technology, continue to develop products such as brakes, handles/seat risers, hubs/rims and various forged parts for bicycles, and expand the application to processing of related metal parts for automobiles and aerospace and carbon fiber products.

#### (II) Industry Overview:

##### 1. Industry Situation and Development:

Our country has always been known as the “kingdom of bicycles”. The quality of exported bicycle products has been recognized internationally. Although in 2000, the pressure of rising production costs in Taiwan caused the supply chain to move out to the mainland, Southeast Asia and other emerging countries, significant results have been achieved in mastering key technologies and achieving independent supply of key components through the promotion of A-team and collaborative development with customers, the improvement of production technology, the division of labor between operations and production bases and other measures between industries, enabling the industry cluster formed in Taiwan to play an important role in the global bicycle supply.

How to strengthen global presence and division of labor to become an integrator of global resources is the most important issue of the current industry.

Moreover, the bicycle industry in our country has always been export-oriented. Therefore, the prosperity and decline of the industry is deeply affected by the global economic cycle. After the financial turmoil in 2008, the recovery of the economic stimulus created the prosperity of the bicycle demand industry. From 2015, factors such as the impact of shared bicycles, tariff barriers in various countries, Sino-US trade disputes, and the loss of cost advantages of production bases in the mainland have caused the entire industry to suffer a greater impact. The solid operating structure accumulated by the bicycle industry for many years has ensured the stable operation. Despite the continuous huge impact to the global economy by COVID-19 epidemic in 2021 and 2022, with governments of various countries continuing to introduce various subsidies and encouragement measures to promote epidemic prevention, bicycles have become the best solution for commuting and fitness exercise during the epidemic. After the epidemic, the demand in the consumer market has skyrocketed, creating a new normal for bicycle demand. In addition, the introduction of E-BIKE electric vehicles has brought a new wave of growth. The overall bicycle industry is expected to create prosperity successively.

In 2023 and 2024, the bicycle industry faced multiple challenges, including slower-than-expected inventory reduction, inflation-driven cost pressures, geopolitical risks, trade barriers accompanied by supply chain adjustments, and the increasing demand for ESG and sustainable development. Due to the impact of geopolitical tensions and trade barriers, customers have been seeking diversified sources of supply to mitigate the risk of supply chain disruptions. As a result, companies have gradually shifted production bases to other regions to reduce tariff costs and be closer to end markets. This has led to a more regionalized bicycle supply chain, while also introducing greater operational uncertainties.

Looking ahead to 2025, the bicycle industry has gradually emerged from the inventory adjustment phase, and market demand is expected to steadily recover. However, the global economic environment remains highly uncertain, influenced by key factors such as the policies of the new U.S. administration, monetary policies across various countries, geopolitical conflicts, and supply chain restructuring. To navigate these challenges, the industry must proactively adjust inventory and production models, strengthen financial risk management, and intensify its commitment to ESG initiatives and sustainable development in order to be fully prepared for future market competition.

## 2. The Relationship Between Up-, Mid-, and Down-stream Supply Chain Services:

Every bicycle needs to be assembled from the main and secondary parts such as the frame, front fork, transmission/shift, brake, handle/seat riser, etc. Each part is indispensable, and the bicycle industry can therefore be divided into finished bicycle industry and part industry. Because of the large number of parts, the characteristics of shall be collaborated between the industries so that a close supply relationship is established between upstream and downstream.

The bicycle part manufacturing industry covers metal, rubber, carbon fiber, electric



control and other materials. Therefore, the technical development, market supply and market demand of the industry can drive the development of related fundamental industries and peripheral industries but are also interactively influenced by international material market, exchange rate, transportation and other factors.

### 3. Product Development Trends and Competition Landscape:

Product development trend: The use of bicycles will have different applications and different consumer preferences due to differences in regional, national and economic development. Therefore, consumers show a differentiated preference for the use of bicycle products. The differences in bicycle type demand and finished product unit price also affect the trend of product development and manufacturing. Currently, the design of bicycle products brings about corresponding bicycle types according to the needs of commuting, sports and leisure, competition and other functions. Furthermore, in response to the versatility and diversification, materials for the main parts shall be so used to satisfy the demand for robustness, durability, safety and light weight. The design also develops towards light weight, improved user experience, differentiation and personalization of the overall product.

In addition, energy conservation, carbon reduction, and environmental protection have become a global trend. Regulations have been formulated successively in various countries to limit carbon emissions, encouraging bicycle riding and the establishment of special lanes for bicycles. Non-polluting and zero-carbon-emission bicycles have also become the best solution for urban commuting and tourism. A large number of riders have been cultivated, driving the continuous growth of bicycle demand. In recent years, under the policy to encourage the substitution of driving with bicycle commuting, electric bicycles equipped with power assistance are also sold well and have become the main products with the highest added value. As the industry pays more and more attention to the development and application of electric bicycles, and continues to launch new products, a new wave of buying demand has been also created.

As for the status of industrial competition: the bicycle industry in Taiwan has always focused on export sales. With the efforts of the entire industry, it has a leading international position in product design, quality and price competition, and enjoys a high market share. However, in terms of industrial competition, it needs the following breakthroughs: with regard to product sales, Taiwan has been unable to reach reciprocal tariff agreements due to delays in the negotiation of various bilateral or transnational free trade agreements, and the prevalence of trade protectionism in various countries, emphasizing local manufacturing, has caused Taiwan to be in an unfavorable situation in international industry competition in recent years, affecting the development of the future industry; in terms of product manufacturing, the layout of production bases was based on the model of taking orders in Taiwan and production in mainland in the past. Due to the rise of the red supply chain, mainland-owned factories have greatly increased investment in production capacity through national support and local competitive advantages, and overcapacity has made the industry increasingly competitive and affected the market layout. This makes Taiwan's bicycle industry, with most factories in the mainland, face many challenges. In addition, due to the impact of high tariffs under

trade barriers, major customers have successively transferred the orders of export to the United States and the Europe to Taiwan or required the production in other Southeast Asian countries. In the follow-up industrial development, the first step is to adjust the constitution and upgrade the industry. In addition to increasing the expansion of the domestic market, the added value of the product itself must also be increased to open the competition gap through differentiation.

### (III) Overview of Technologies and R&D Work:

#### 1. R&D Expense

Period	Consolidated R&D Expense
2024	NT\$74,117 thousand
As of April 30, 2025	NT\$23,721 thousand

#### 2. Technology and Products Successfully Developed

From January 2024 to the end of December 2024, the Company submitted a total of 8 patent applications and was awarded a total of 10 patent licenses. In 2024, the Company completed the development of a total of 168 products (including 16 seat post products, 34 seat tube products, 6 seat clamp and skewer products, 17 frame products, 29 rim products, 16 disc brake products, 15 hub products and 35 other products).

In view of the increasing demand for electric bicycles, the Company has invested in the research and development of parts related electric bicycles this year, including power-off handles, power-off hydraulic disc brakes, adjustable quick-release risers, etc., which have been adopted by customers. The promotion of its own PROMAX brand has also facilitated the launch of its own brand series products, including handles, risers, single-speed hubs, rims and other items.

In response to the evolution of light-weight materials used for bicycles, the Company will actively develop various light-weight products and accelerate the development of this product with the computer-aided FEA simulation in addition to the continuous investment in the use of new metals and composite materials.

#### 3. Future research and development plan

- (1) In 2025, the Company expects to develop 1 caliper product, 1 handlebar product, 20 seat post products, 30 seat tube products, 5 disc brake products, 15 hub products, 5 seat clamp and skewer products, 30 rim products, 20 frame products and 35 other types of products, a total of 161 products. It is estimated that R&D expenses will be around NT\$80 million in 2025.
- (2) The Company will be actively dedicated to the research and development of relevant parts for hi-end electric bicycles such as serial oil pressure brake products with interruptible power supply that can increase the factor of brake safety, seat tube that allows the rider to adjust the handle bar height without using a tool and other relevant innovation products.
- (3) Due to the high demand for adjustable shock-absorbing seat risers in the market, the Company has actively launched the adjustable seat riser products of its own brand,

and has also developed and set up special production lines in cooperation with customers.

- (4) By means of the accumulated solid forging and manufacturing capabilities, the Company actively improves the technology of pipe extrusion forging, and develops special production equipment to improve product yield.
- (5) Continuous cooperation with major customers and collaborative research and development of new product plans have diversified the Company's ability to develop products and also accumulated the innovative research and development capabilities of its own products.
- (6) To support the application of aluminum alloy and electronic products to bicycle parts, the Company will seek the opportunity to conduct diversified operation and gradually step into different product fields.
- (7) Following the accumulated R&D and manufacturing technology for hub products, the Company will invest in hubs and rims that can be matched with various types of bicycles.
- (8) The Company will develop new hydraulic brake products and high-performance brake rubber so that brake products can attack higher-end markets.
- (9) The Company will continue to strengthen CAE, utilize the computer-aided FEA simulation analysis technology effectively to speed up product development and fulfill the pursuit in lighter weights.
- (10) The Company will continue to conduct product R&D and technical cooperation projects with various research institutions and universities to strengthen the basic energy of product design.

#### (IV) Long Term and Short Term Business Development Plans:

##### 1. Short-term Business Development Plans:

With the trend of globalization, competition among industries has intensified, and market expansion is required to maintain flexibility and be able to adjust strategies immediately. The Company's short-term plan is as follows:

- (1) On the basis of existing business and production technology, the Company continuously develops products for all series and develops sales models which are suitable to different local markets.
- (2) Promoting production process rationalization and flexibility to harmonize the production and distribution and to reach the most profitable business scale; implementing the quality policy of "Continuous Innovation, Quality First" to achieve the goal of delivering top-quality products.
- (3) The Company will enlarge various material and service options and satisfy hi-end customary product demands of customers.

##### 2. Long-term Business Development Plans:

- (1) Continuous double engine (brand + OEM) growth strategy: The Company will continuously improve its forging technology and high-quality productivity, focus on the design and manufacturing of high-price products under its own brand and enlarge the opportunity to manufacture hi-end precise products as the OEM.

- (2) The Company will actively invest in the development of new products, new materials and new processes, and in addition to the introduction of application of bicycle parts, expand their application to related products such as electric vehicles and automobiles, gradually expanding the proportion of sales to new businesses and new markets.
- (3) The Company will develop emerging markets and attack emerging markets such as India and Southeast Asian countries in response to the growth slowdown, growing maturity of advanced process of local suppliers and hot-white competition over there. The Company will explore the possibility of autonomous manufacturing or cooperation in local markets, localize production and enlarge their vast domestic demand markets to ensure the growth drive.

## **II. Analysis of market and production and marketing situation:**

### **I. Analysis of Market**

#### **1. Sales regions of major products**

The Company's main products include bicycle brake sets, seat risers, handlebars, hubs, rims, quick releases and forged parts, etc. The products are sold all over the world, mainly in the United States and Canada, the European Union, Central and South America and Japan. It also cooperates with domestic bicycle manufacturers and traders to expand sales and agency business in various emerging markets.

#### **2. Market Share:**

The Company has long-term cooperation with customers from various bicycle manufacturers and parts factories, and through its own brand marketing, has accumulated a large number of product users. Due to the diversified product categories, the Company can meet customer needs so that customers can carry out one-stop-purchase of most of the products. The Company is in the leading position in the industry in respect of production items and quantity of products.

#### **3. Future Market Supply and Demand and Prospect:**

The bicycle is a mature product that has been developed for more than a hundred years. As a necessity in human civilization, it is used in transportation, commuting, and cargo transportation. In the past, it was an important carrier. The product development over a century has also maintained a certain market demand. In recent years, with the concept of energy conservation and environmental protection, the emphasis on health and leisure, and government policy encouragement, more emerging riding populations have been created. The emphasis on vehicle performance and user experience has increased the added value to the industry and effectively boosted product unit prices and profitability. However, as the development of the industry has promoted successive expansion of production capacity and increased market price competition, the bicycle industry, highly dependent on exports, is currently continuing to work hard to effectively maintain market competitiveness and further increase market demand and increase product added value. This is a direction for sustained efforts.

#### 4. Competitive Niches:

- (1) Integral research and development capacity: In addition to proprietary patent development, the Company also stands in a position to complete the integrated operation from mass production design, smooth production and delivery, thereby satisfying the customer demand.
- (2) Integral product lines: The Company provides customers with bicycle design recommendations and matches so that customers can leverage our integral product lines to complete consistent specification settings for finished bicycles.
- (3) Flexible production arrangement: The Company can support customers to complete mass production or low-volume production of multiple types worldwide.
- (4) Sound financial position: The Company provides customers with the delivery guarantee and complete product liability insurance so as to totally release customers from concerns on production line arrangement and product sales.
- (5) Quality assurance system: The Company can connect the quality system of customers at any time in addition to passing the ISO9001 certification. Besides, the Company provides the first-class service for customers visiting the plant. The Company achieves the task of quality assurance.

#### 5. Positive and Negative Factors Relating to Future Development and Response Measures:

- (1) Advantages:
  - A. Global residents pay growing attention to environmental protection and the recreational sport style thrives, and many countries take such award measures as paving the exclusive bicycle lane and providing purchase subsidies. These factors have promoted a continuous increase in the population that uses bicycles. Therefore, the bicycle component market will also embrace an optimistic prospect with the continuous growth of the global bicycle market demand.
  - B. New technology and new product represent the prime driving force for an enterprise's development. Ever since the outset, the Company has dedicated itself to research and development. The Company has continuously devoted itself to the research and innovation of new materials, new products and new technologies, continuously improved the technical level and significantly increased added values of products. In recent years, the Company has been awarded the Foreign Trade Association Award and the Excellent Innovative Product Award repeatedly. Due to its excellent product quality, it has also won the cooperation and procurement of well-known leading manufacturers at home and abroad
  - C. In recent years, many world-renowned leading manufacturers have banded up with the Company to develop exclusive new products with high technical level and established exclusive product lines. This will further consolidate the Company's customer resources and our stable profitability and reinforce the reputation score and the marketing niche. Moreover, the private brand has gradually built an international brand image after years-long efforts.
  - D. With the management reform and upgrade, the Company's subsidiaries with investment in Mainland China focusing on manufacturing have experienced

transformation and achieved success in domestic and foreign sales, which has also positively improved the Company's profits.

(2) Responsive action for unfavorable factors:

- A. In recent years, the bicycle market has attracted much attention to its quick growth from different countries, more investing manufacturers in Mainland China, India and the emerging Southeast Asian countries have leveraged their cheap cost to attack the market, and the market competition tends to grow fiercer and fiercer.
- B. The soaring raw material prices in the international market and the continuous increase in various production costs have posed a pressure on the control of operating costs.
- C. European and American countries adopt dumping protection strategies for imported products, which in turn affect significant price fluctuations, delivering an unclear impact on the world economic situation and representing an indirect uncertain factor that can't be ignored. This will also affect the operating revenue of the Company to some extent.

To alleviate the impact from the aforesaid unfavorable factors, the Company will continuously promote automatic equipment to maintain the competitive edges. Moreover, the Company will actively develop new products with high added values to avoid the price competition and earn a bigger profit. In response to the cost impact from raw material prices, the Company has made moderate adjustment to prices to reduce the impact on profitability.

## II. Application and Manufacturing Processes for Main Products

### 1. Main product application:

Brake: Bicycle brake system

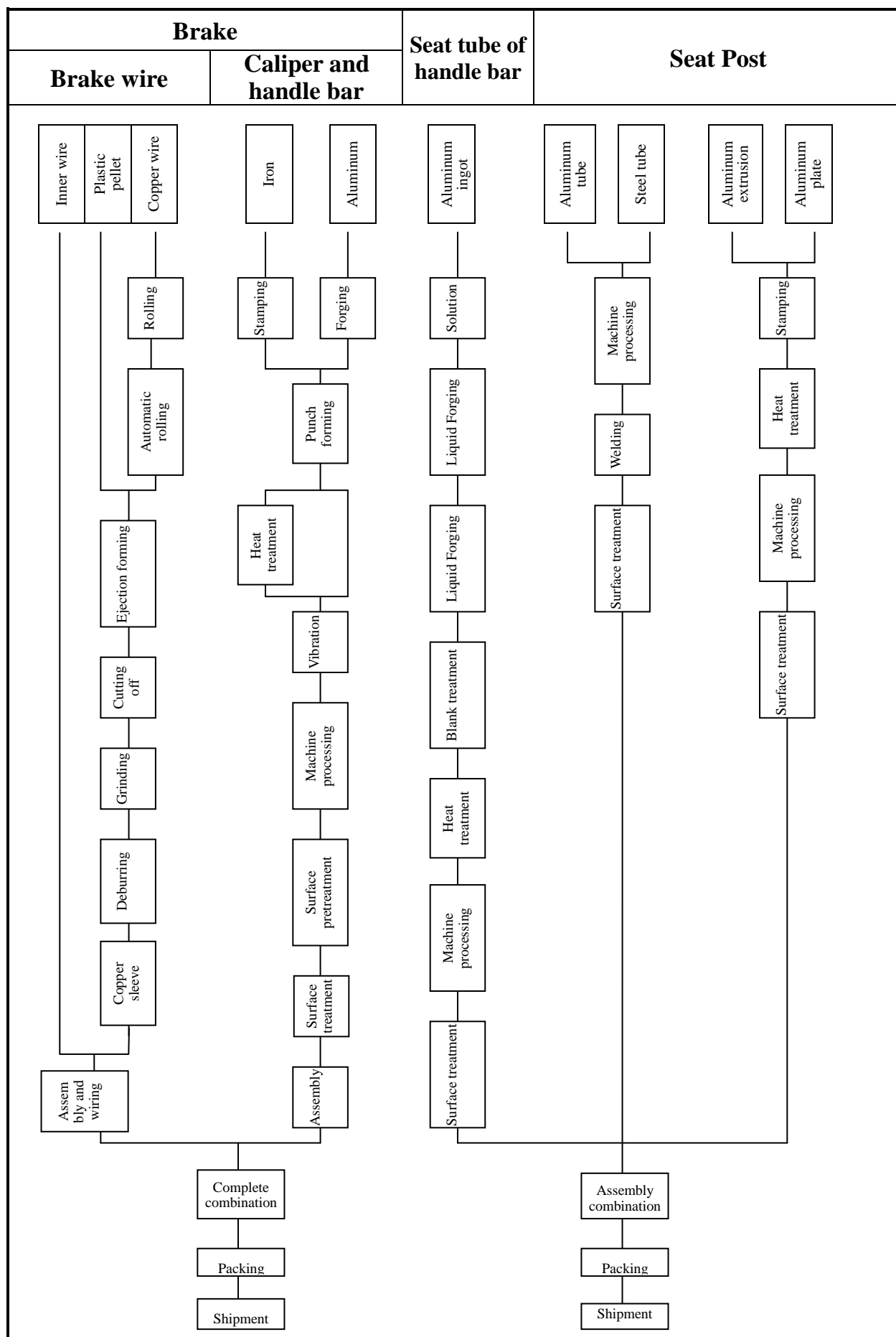
Seat post: A component supporting the seat cushion

Stem: A component connecting the handle bar and the front fork

### 2. Manufacturing Process: See next page

## III. Supply Situation for the Major Raw Materials

Major Raw Material	Source of Supply	Supply Situation
Iron	Supply from local manufacturers	Sufficient source of supply
Aluminum	Supply from local manufacturers	Sufficient source of supply
Aluminum ingot	US, UK, France and South Africa	Sufficient source of supply
Steel tube	Japanese and local manufacturers	Sufficient source of supply
Plastic pellet	Supply from local manufacturers	Sufficient source of supply



(IV) A list of suppliers (customers) that have accounted for more than 10% of the total purchases (sales) in any one of the last two years

1. Information of major suppliers in the last two years:

Consolidated data

	2023				2024				As of the first quarter of 2025 (Note 2)			
Item	Name	Amount	Percentage to Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Percentage to Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Percentage of net purchases in the current year as of the previous quarter (%)	Relationship with the Issuer
1	Other	611,481	100%	-	Other	889,629	100%	-	Other	265,942	100%	-
2	Net purchase	611,481	100%	-	Net purchase	889,629	100%	-	Net purchase	265,942	100%	-

Note 1: List the names of suppliers with more than 10% of the total purchases in the last two years and their purchase amounts and proportions. However, a code can be used if the name of the supplier cannot be disclosed due to contractual agreement or if the transaction object is an individual and non-related person.

Note 2: As of the date of publication of the annual report, if companies that are listed or whose stocks have been traded in the stock exchange have the latest financial information that has been verified or reviewed by a CPA, they should be disclosed.

2. Information of major sales customers in the last two years:

Consolidated data

	2023				2024				As of the first quarter of 2025 (Note 2)			
Item	Name	Amount	Percentage to Annual Net Revenue (%)	Relationship with the Issuer	Name	Amount	Percentage to Annual Net Revenue (%)	Relationship with the Issuer	Name	Amount	Percentage of net sales of the current year to the previous quarter (%)	Relationship with the Issuer
1	Group A	323,410	17%	Non-related parties	Group A	328,182	16%	Non-related parties	Group A	60,339	11%	Non-related parties
1	Group B	221,386	12%	Non-related parties	Group B	211,655	10%	Non-related parties				
1	Other	1,347,619	71%	-	Other	1,493,925	74%	-	Other	491,409	89%	-
2	Net sales	1,892,415	100%	-	Net sales	2,033,762	100%	-	Net sales	551,748	100%	-

Note 1: List the names of customers with more than 10% of the total sales in the last two years and their sales amounts and proportions. However, a code can be used if the name of the customer cannot be disclosed due to contractual agreement or if the transaction object is an individual and non-related person.

Note 2: As of the date of publication of the annual report, if companies that are listed or whose stocks have been traded in the stock exchange have the latest financial information that has been verified or reviewed by a CPA, they should be disclosed.



**III. Information of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report:**

Consolidated data

Year		2023	2024	For the Current Fiscal Year as of May 13, 2025
Number of employees	Management	372	359	347
	R&D (technical) personnel	103	99	101
	Operator	728	688	675
	Total	1,203	1,146	1,123
Average age		44.15	44.39	44.63
Average year of services		13 years	16.8 years	13.6 years
Educational level (%)	Ph.D.	0	0	0
	Master	1.65	1.91	1.68
	University	23.11	24.35	24.76
	High school	34.16	36.56	36.78
	Below high school	41.06	37.18	36.78

**IV. Disbursements for environmental protection:**

(I) For losses incurred due to environmental pollution in the most recent year and up to the publication date of the annual report (including compensation and environmental protection audit results that violate environmental protection laws and regulations. The date and number of punishment, , the violation of laws and regulations, the content of violations, and the content of punishment should be listed), disclose the estimated amount and corresponding measures that may occur at present and in the future: None.

(II) Future countermeasures and possible expenditures: Not applicable.

(III) Implementation in response to the EU Restriction of Hazardous Substances (RoHS):

The products of the Company sold to Europe are in compliance with RoHS regulations.

(IV) The Company cooperates with the energy saving target and implements the green energy plan. The annual average energy saving effect is 1.87%, reaching the annual average of 1% or more stipulated by the Energy Bureau of the Ministry of Economic Affairs. The Company has passed the on-site inspection. Related implementation measures include:

1. Air compressor:

(1) The loading and unloading fixed frequency air compressor is updated to a variable frequency air compressor.

- (2) Improvement of pipeline leakage.
- 2. Air conditioning equipment:
  - (1) The fixed frequency of separate air-conditioner is changed to frequency conversion.
  - (2) The temperature control of the box-type air conditioner with a thermostat is 26-28°C, about 2 °C higher than the original temperature, saving electricity by 12%.
  - (3) The central air conditioner is equipped with a circulating fan to improve the somatosensory effect of the cold room, which can relatively increase the set temperature to achieve energy saving effects.
  - (4) Plant-wide annual maintenance improves heat dissipation efficiency and saves electricity.
- 3. Equipment improvement:
  - (1) High-efficiency and power-saving equipment is selected.
  - (2) The motor is fully upgraded from E1 and E2 to E3.
  - (3) The equipment is changed from compressor water cooling to air cooling to reduce electric energy.
- 4. Lighting equipment:
  - (1) The old T8 lamps are completely replaced with LED lamps and the number of lamps is reduced according to the brightness requirements to effectively save electricity.
  - (2) Sensors and timers are installed to effectively reduce lighting waste.
- 5. Resource reuse:
 

The heat generated by the equipment is recycled for use in the shower in the dormitory.
- 6. A large number of newly planted trees are added to green the environment, save energy, reduce carbon, and promote environment sustainability.

## **V. Labor relations:**

- (I) Employee's benefit programs, continuous education and training:
  - 1. Employees' benefit programs:
    - (1) Since the establishment of the Employee Benefit Committee in October 1989, the Company has comprehensively managed various benefit services. All employees have enjoyed annual gifts, birthday gifts, wedding and funeral benefits, scholarships, service gifts, maternity subsidies, emergency relief, and hospitalization consolation payment, severance payment and other benefits, and regular domestic and foreign travel and leisure self-improvement activities for

employees are held every year to share the Company's operating profits with employees.

- (2) The Company is in an industry where the Labor Standard Law applies. All operations such as working conditions, personnel, salary, management, etc. are based on the Labor Standard Law, and staff suggestion boxes are set up to receive all employees' suggestions as a reference for various improvement measures of the Company.
- (3) The Company has employee dormitories, staff dormitories and dormitories for foreign workers, providing accommodation for remote employees and foreign workers, and setting up nursing (breastfeeding) rooms to optimize the facilities and environment of the breastfeeding room and facilitate female employees to feed their babies; employs doctors in the factory, provides special preschool education institutions for employees, and beautifies the planting of trees and landscapes, providing special hospitals for employees, carrying out the renovation and improvement of staff dormitories and foreign employees' kitchens and restaurants, the renovation and improvement of employee leisure and recreation rooms and employee outdoor parking lots, and effectively improving employees' work morale and centripetal force.
- (4) The Company continues to handle the evaluation and improvement of employee catering vendors, employee blood donation public welfare activities, health promotion-handling employee weight loss activities and employee aerobic exercise courses.
- (5) The Company usually attaches importance to humane management and two-way communication with employees. Therefore, the labor-management relationship has always been harmonious. In the future, the Company will strengthen the coordination and interaction between labor and management to create a win-win working environment, and fulfill social responsibilities as a business owner for caring for employees.

## 2. Continuous education and training:

With perfect education and training mechanism, the Company sets up various academic, knowledge, and technical education courses from time to time every year, and selects employees to participate in education courses outside the factory or abroad according to work needs, making employees enjoy learning and growth from work.

## 3. Employee retirement system and implementation status:

- (1) Retirement matters of the Company's employees are handled in accordance with the relevant regulations of the "Working Rules of Lee Chi Enterprises Co., Ltd.", the Labor Standard Law, and the Labor Pension Act.
- (2) The retirement pension system of the "Labor Pension Act" applicable to the Company is a government-managed retirement plan. No less than 6% of the monthly salary shall be allocated to the individual account with the Labor Insurance Bureau according to the salary of the employee and in accordance with the monthly salary grading table approved by the Executive Yuan.

- (3) If the Company is subject to the provisions of the Labor Standard Law on retirement fund, the reserve for pension shall be distributed on a monthly basis in accordance with the Labor Standard Law. Under the supervision by the Company's Labor Retirement Reserve Supervision Committee, the Company holds regular meetings to report the status of pension withdrawal and expenditure, and in the name of the committee, deposits the reserve for pension in the Bank of Taiwan, which is responsible for handling income and expenditure, custody and utilization. However, in accordance with the regulations on the safekeeping and utilization of the income and expenditure of the labor pension fund, the minimum income distributed by the labor retirement fund shall not be lower than the income calculated by 2-year fixed deposit interest rate of a local bank.
  - (4) Before the end of each year, the Company estimates the pension amount of employees who are expected to achieve the retirement conditions of Article 53 or Subparagraph 1, Paragraph 1 of Article 54 of the Labor Standards Law, fully distributes pension amount before the end of March of the following year according to the law, eliminates worries of retired employees in their lives, and promotes all employees to contribute their personal performance at work.
4. Labor-management agreement and various employee rights protection measures
- The Company attaches great importance to the opinions of employees, regularly holds labor-management meetings, and if necessary, additional ad hoc meetings, invites all employees of the Company to participate and encourages employees to provide suggestions, and set up complaint channels such as employee complaint mailboxes, so that the channels for employee complaints are smooth, so as to understand the opinions of colleagues on the management and welfare system, as a reference for improvement. Therefore, no major labor dispute has occurred. Looking forward to the future, under the condition of good interaction between labor and management, it is estimated that the possibility of future losses due to labor disputes is extremely low

- (II) For losses incurred due to labor-management dispute in the most recent year and up to the publication date of the annual report (including labor-management inspection results that violate the Labor Standard Law. The date of punishment, the font size, the violation of laws and regulations, the content of violations, and the content of punishment should be listed), disclose the estimated amount and corresponding measures that may occur at present and in the future: None.

## **VI. Cyber security management:**

- (I) Cyber security risk management framework

In order to improve cyber security management, the Company has established the "Cyber Security Management Committee" since October 30, 2020, with the head of the Computer Room serving as the convener. Meetings are held regularly every year or as needed to review the development direction and strategy of cyber security management and related matters. The Computer Room provides information on cyber security and

promotes awareness to improve the security of business operations.

The 2024 Cyber Security Governance Report was submitted to the Board of Directors in December 2024.

(II) Cyber security policies

1. Strictly abide by laws and regulations to formulate relevant cyber security management regulations, strengthen cyber security management, and ensure the confidentiality, integrity and availability of the company's information assets
2. Regularly evaluate and conduct internal audits to ensure that the Company's business continues to operate steadily and safely
3. Supervise the employees of the Company to implement and cooperate with cyber security protection, and raise the awareness of cyber security of all departments and personnel
4. Require all employees of the Company and manufacturers who use or connect to the Company's computer system to strictly abide by the Company's cyber security regulations

(III) Concrete management plans and investments in resources for cyber security management

1. For information equipment and network equipment, the Company has implemented security monitoring systems to avoid equipment theft or malicious vandalism.
2. In response to the increasing importance of cyber security, the Company implements security protection mechanisms every year and cooperates with external cyber security vendors to avoid cyber-attacks, ransom ware, computer viruses and other cyber security issues
3. Cyber security incident drills are conducted annually to strengthen the employees' crisis awareness of cyber security and the resilience of cyber security personnel in order to prevent and stop the spread of the crisis
4. The Company's internal audit cooperates with the annual audit plan to implement the inspection of cyber security as an audit item. In accordance with Articles 8 and 9 of the Internal Control System Processing Guidelines, which are to regulate the management of personal data protection and to regulate the use of computerized information systems, respectively, there should be a clear division of responsibilities between the information department and user department, and the following control operations are to be implemented:
  - (1) Division of functions and responsibilities of the information processing department
  - (2) Control of system development and program modification
  - (3) Control of the preparation of system documents
  - (4) Control of program and data access
  - (5) Control of data input and output
  - (6) Control of data processing
  - (7) Control of files and equipment security
  - (8) Control of purchase, use and maintenance of hardware and system software

- (9) Control of system recovery plan systems and test procedures
- (10) Control of cyber security inspection
- (11) Control of operations related to disclosure of information to the website designated by the competent authority

5. Concrete implementation status:

- (1) The head of the Computer Room serves as the convener and regularly holds management review meetings, the main content of which is to review information security policies, audit reports, and continuous improvement plans. A total of 12 monthly management review meetings were convened throughout 2024
- (2) The Computer Room continues to provide information on cyber security and promotes awareness from time to time.  
From time to time, the Computer Room notifies all employees of the latest relevant information and reminders by email, contact list, etc., and make every effort to jointly prevent breaches in cyber security and ensure a safe network environment.
- (3) The internal audit continues to cooperate with the annual audit plan to implement the inspection of cyber security as an audit item, and submits the audit report to the Audit Committee for review.
- (4) The Computer Room strengthens the monitoring of firewalls, tracks information security, finds out whether security is abnormal and reports information security incidents in real time
- (5) The Company strengthens information security education for information personnel from time to time every year.

(IV) For losses incurred due to major cyber security incident in the most recent year and up to the publication date of the annual report, disclose the possible impact and corresponding measures. If the possible impact could not be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained: None.

**VII. Important contracts:** None.

## Chapter V.

### Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks:

#### I. Comparative analysis of financial position

(I) Comparative analysis table of consolidated financial position

Unit: NT\$ Thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	\$ 3,038,820	\$ 3,051,330	( 12,510 )	( 0 )
Non-current assets	1,518,602	1,461,039	57,563	4
<b>Total assets</b>	4,557,422	4,512,369	45,053	1
Current liabilities	619,958	451,556	168,402	37
Non-current liabilities	211,524	244,830	( 33,306 )	( 14 )
<b>Total liabilities</b>	831,482	696,386	135,096	19
Share capital common stock	2,256,850	2,256,850	—	0
Capital reserve	67,084	67,084	—	0
Retained earnings	1,379,150	1,507,546	( 128,396 )	( 9 )
Other equity	( 69,935 )	( 116,583 )	46,648	( 40 )
Treasury share	( 20,676 )	( 20,676 )	—	0
Non-controlling interests	113,467	121,762	( 8,295 )	( 7 )
<b>Total equity</b>	\$ 3,725,940	\$ 3,815,983	( 90,043 )	( 2 )
Description:				
1. The increase in current liabilities was mainly due to increase in market demand this year compared with the previous year, the increase in operating income, and the relative increase in accounts payable.				
2. The increase in other equity was mainly due to increase in exchange differences in the translation of financial statements of foreign operating entities as the U.S. dollar appreciated this year compared to the previous year.				

## II. Comparative analysis of financial performance

### (I) Comparative analysis table of consolidated financial performance

Unit: NT\$ Thousand

Item	2024	2023	Increase (decrease) amount	Percentage of change (%)
Operating revenue	\$ 2,033,762	\$ 1,892,415	141,347	7
Operating costs	1,954,425	1,841,625	112,800	6
Gross profit	79,337	50,790	28,547	56
Operating expenses	366,126	359,300	6,826	2
Net operating profit (loss)	( 286,789)	( 308,510)	21,721	( 7 )
Non-operating income and expenses	162,453	135,699	26,754	20
Pre-tax net profit (loss) of continuing operating unit	( 124,336)	( 172,811)	48,475	( 28 )
Income tax benefits (expenses)	( 32,215)	( 14,470)	( 17,745 )	123
After-tax net profit (loss) of continuing operating unit	( 92,121)	( 158,341)	66,220	( 42 )
Loss of discontinued operating units	0	0	0	-
Net profit (loss) for the year	(\$ 92,121)	(\$ 158,341)	66,220	( 42 )
Increase or decrease of change analysis:				
1. The main reason is that the market demand for the bicycle industry has recovered, orders have rebounded, and production capacity and scale efficiency have improved, resulting in an increase in operating gross profit, operating net profit, and profit and loss for the year compared with last year.				
2. Increase in non-operating income: Mainly due to the appreciation of US dollars in this year compared with last year, resulting in foreign exchange gains.				

Expected sales volume and its basis: please refer to Chapter I. Letter to Shareholders on page 1

### (II) The possible impact on the Company's future finances and business and the corresponding plan:

The Company continues its dual-engine (brand and OEM) growth strategy, develops emerging markets, and will develop emerging markets such as India and Southeast Asian countries. The Company will explore the possibility of autonomous manufacturing or cooperation in local markets, localize production and enlarge their vast domestic demand markets to ensure the growth drive.



### III. Cash flow analysis

#### (I) Analysis of consolidated liquidity in the last two years

Item \ Year	2024	2023	Increase (decrease) ratio
Cash Flow Ratio (%)	8.40	96.40	( 9.47 )
Allowable cash flow ratio (%)	68.70	68.17	( 27.68 )
Cash reinvestment rate (%)	0.14	4.41	( 96.83 )
Increase or decrease of change analysis: Changes in allowable cash flow ratio and cash reinvestment rate: Mainly due to the significant increase in net cash inflow from operating activities and current liabilities payable in 2024, resulting in a large difference from the previous year's amount, and the related ratio is also different.			

#### (II) Analysis of consolidated cash liquidity in the coming year:

Cash balance at the beginning of the year (1)	Net Cash Flows from Operating Activities (2)	Cash outflow (3)	Cash surplus (deficit) Amount (1)+(2)+(3)	Remedial Measures for Estimated Cash Deficit	
				Investment Plan	Financial plan
\$807,220	\$ 350,000	\$450,000	\$707,220	Not applicable	Not applicable
Description: 1. Analysis of changes in consolidated cash flow this year (in the coming year) (1) Operating activities: Looking ahead to 2025, the bicycle industry shows signs of recovery, as the sector gradually emerge from the inventory adjustment period. Market demand for bicycles is expected to steadily rebound. However, due to uncertainties such as potential policy changes and tariff measures under the new U.S. administration, the global economic environment remains unpredictable. Net cash flow from operating activities is approximately NT\$ 350,000 thousand. (2) Investment activities: The Company will mainly continue the investment strategy for 2024, with plans to invest in the stock and bond markets, purchase additional machinery and equipment, expand plants, reinvest in subsidiaries, etc., in cooperation with the Company's estimated capital needs. The annual investment activities in 2025 will be carefully evaluated. (3) Financing activities: It is estimated that cash dividends will be distributed in 2025. 2. Remedial measures and liquidity analysis for estimated cash deficit: Not applicable.					

#### **IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: None**

(I) The use of capital expenditures and sources of funds:

In 2024, in response to the needs of future expansion of operations, combined with intelligent production line planning, the Company invested about NT\$88,706 thousand in the expansion of production plants and the purchase of new production equipment, smart machinery in order to facilitate the Company's future overall planning and operation development. The above sources of funds are all financed by the Company's equity fund.

(II) Expected benefits:

Expected benefits include: expansion of production plants and intelligentization of production equipment, improvement of the flow of space in the plant, increase in production efficiency and product quality, strengthening of the technical content, and effective monitoring of the production; improve in management and decision-making efficiency in response to market demand, in order to benefit the overall planning and operational development of the Company.

#### **V. The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improvement, and investment plans for the coming year**

(I) The Company reinvests for the purpose of long-term investment. Among all, Ever Glory Machinery (Kun Shan) Co., Ltd. in China, In 2024, due to a surge in cycling popularity in the Chinese market, which drove strong bicycle sales. Although sales increased compared to the previous year and the company reduced its losses, overall profitability still fell short of expectations. The U.S. subsidiary continues to focus on high-end bicycle products and distribution channel expansion. In 2025, however, due to policy changes under the new U.S. administration, tariff impositions, and other factors, the economic environment remains uncertain and faces multiple challenges. Profitability is expected to improve as the market further expands.

(II) Investment plans

To expand its production facilities and increase capacity, the Company continues to invest in smart automation equipment and upgrade existing machinery to enhance operational efficiency. In March 2025, the Company signed a share purchase agreement with Brimo Technology, Inc. acquiring a 51% stake in its subsidiary, Marcoware Co., Ltd. The share transfer took effect upon completion of the transaction.

## VI. Risk analysis and assessment

- (I) Impacts of interest and foreign exchange rate fluctuations and inflation on Company's profit and loss and future countermeasures:

The Company does not have loans, so changes in interest rates pose no significant impact on the Company's interest expenditures; in the exchange rate conversion in 2024, the foreign currency exchange gains in consolidated statement was about NT\$62,692 thousand, mainly because the foreign currency exchange rate was greatly affected by international economic fluctuations; despite changes in costs of raw materials, the Company's cost is under appropriate control, and the cost is reflected in a timely manner, without no significant impact on profit and loss. On the whole, the Company will consider its changes at any time in the future and make appropriate hedging to reduce the impact on profit and loss.

- (II) Policies for high-risk or high-leverage investments, fund lending to other parties, endorsements, guarantees, and financial derivatives transaction, explanation for the gains or losses generated thereby, and future countermeasures:

- (1) Policy: The Company's funds lending to others, endorsements, and derivative products are all handled in accordance with the relevant processing guidelines of the competent authority and the regulations on implementation of the internal control system review operation.
- (2) Accounts receivable of the Company from THE Cycle Group that fall overdue after the normal credit term expires are considered as financing, the funds of the grandson company Ever Glory Machinery (Kun Shan) Co., Ltd. receivable from related parties are short-term financing funds, and the funds lending to the reinvested company THE Cycle Group, Inc. and Cycle Origins Ltd. are for the needs of operating turnover; they are handled in accordance with the policies and corresponding measures stipulated by the Company's "Operating Procedures for Funds Lending to Others".
- (3) The Company has no endorsement guarantee from 2024 to the publication date of the annual report (May 13, 2025).
- (4) In response to the needs of operating turnover and foreign exchange hedging, the Company diversifies the risks in reference to the received foreign exchange positions and reduces the uncertainty of currency exchange rate fluctuations to obtain higher interest and income than fixed deposit interest. Moreover, it engages in dual currency linkage investment portfolio, pays attention to the supervision and control of trading risks at any time, and regularly evaluates the performance of the transaction and the risks assumed.
- (5) Future countermeasures: The Company strictly regulates currency management tools, and strives to be conservative and cautious.

(III) Future R&D plans and the projected R&D investment:

Refer to Chapter IV. Operational Overview on page 101; the estimated R&D expense in 2025 is approximately NT\$ 80,000 thousand.

(IV) Impact of significant changes in domestic and overseas policies and laws on the Company's financial operations, and the countermeasures:

The Company's management team has been paying close attention to any policies and regulations that may affect the Company's business and operations. In 2024, changes in relevant laws and regulations did not have a significant impact on the Company's operations.

(V) The impact of changes in technology (including cyber security risks) and industry on the Company's financial operations and the countermeasures:

- (1) The Company has not been subject to changes in technology (including cyber security risks) and industry that affect the Company's financial business.
- (2) The Company continues to introduce technological industry technology and apply it to product development and process improvement.
- (3) The Company strengthens the management of cyber security, and plans related management measures for various cyber risks, including device management, hardware protection, Internet access and mobile security, etc.; through inspection measures related to technology and management related, improves and enhances Network and information system security protection capabilities and information governance standards.

(VI) The impact of the Company's crisis management on changes in corporate image and the countermeasures:

Integrity is the first priority of corporate image. The Company is based on this in the execution of business, finance, production process and other affairs. Therefore, there is no crisis to the Company due to the change of corporate image.

(VII) The expect benefits and potential risks of initiating acquisition and the mitigation measures:

The Company has no plans for mergers and acquisitions in the most recent year and as of the deadline for publication of the annual report.

(VIII) The expect benefits and potential risks of a plant expansion and the mitigation measures:

Based on the needs of operations, the Company continues to plan the plant configuration and production processes, actively improves the space flow in the plant, carries out various renovations, strengthens the provision of a good

working environment for employees, and increases production capacity to meet the overall development needs.

- (IX) Risks, possible risks and countermeasures faced by the concentration of purchases or sales:
- (1) The Company has scattered purchasing manufacturers, maintains a long-term relationship with the suppliers, and does not have concentration risk of purchasing.
  - (2) The Company is a professional manufacturer specializing in manufacturing and foundry of bicycle parts. Some customers account for a significant proportion of sales revenue, which is a feature of professional manufacturing services.
- (X) The impact and risk of any major equity transfer or exchange by the Directors, Supervisors, or shareholders holding more than 10% of the Company's shares and the countermeasures: None
- (XI) The impact and risk of the changes in the ownership on the Company and the countermeasures:
- In the recent year and as of the publication date of the annual report, the Company has stable management, and is committed to the improvement of the Company's operating performance and the creation of the greatest equity for shareholders, which should have a positive impact on the Company's operations.
- (XII) In terms of any major litigious, non-litigious or administrative disputes, whether it has been concluded or is still under litigation, involving the Company, any of its Director, Supervisor or President, any person in charge of the Company, any shareholders holding more than 10% of the Company's shares, and/or its subsidiaries, where such a dispute could materially affect shareholders' equity or the share prices, disclosure of such a dispute shall specify the facts, monetary amount at stake, the date of litigation commencement, the main parties, and the status of the dispute as of the date of publication of the annual report: None
- (XIII) Other important risks and the mitigation measures: None

**VII. Other important matters:** None.

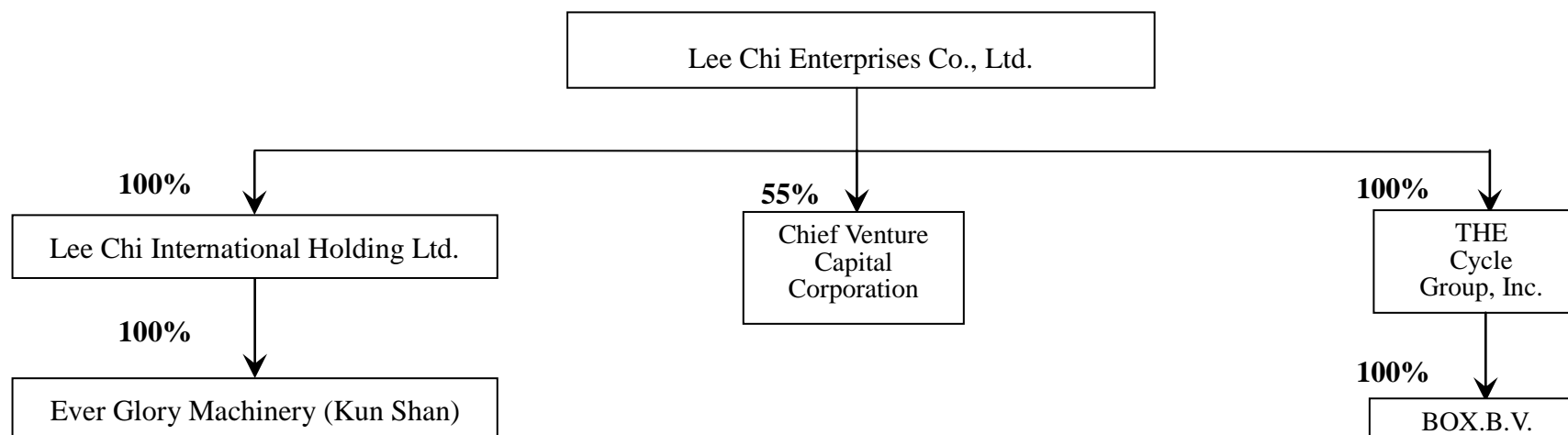
## Chapter VI. Special Items to be Included

### I. Information related to the affiliates

(I) Consolidated financial statements covering related companies: The entities that are required to be included in the consolidated financial statements of Lee Chi Enterprises Company Ltd. as of and for the year ended December 31, 2024, are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements of Lee Chi Enterprises Company Ltd. and Subsidiaries. Consequently, we did not prepare a separate set of combined financial statements

(II) Consolidated business report of affiliated companies

1. Organizational chart of affiliated companies



2. Basic information table of affiliates

<b>Name of Company</b>	<b>Date of Incorporation</b>	<b>Address</b>	<b>Paid-in capital</b>	<b>Main business or production items</b>
Lee Chi International Holding Ltd.	1996.06	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	US\$23,500 thousand	1. General import and export trading. 2. Operating holding and invested companies.
Ever Glory Machinery (Kun Shan) Co., Ltd.	1993.11	Xinxing Road, Penglang Development Zone, Kunshan City, Jiangsu Province	US\$10,000 thousand	Production and sales of auto parts, bicycle parts and other related machinery parts.
Chief Venture Capital Corporation	1998.03	12F., No. 76, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	NT\$200,000 thousand	Investment in domestic and foreign science and technology businesses, other domestic and foreign venture capital businesses, and domestic general manufacturing
THE Cycle Group, Inc.	2014.07	2981 Lakeview Way Fullerton California 92835	US\$6,000 thousand	Development, design and sale of high-end bicycle related products
Box B.V.	2024	James Wattstraat 8, 1817DC Alkmaar	EUR\$ 1 dollar	Expand into the European market, Sales of bicycle-related products

### 3. The division of labor among affiliates

Name of Company	Division of labor
Lee Chi International Holding Ltd.	1. General import and export trading. 2. Operating holding and invested companies.
Ever Glory Machinery (Kun Shan) Co., Ltd.	Production and sales of auto parts, bicycle parts and other related machinery parts.
Chief Venture Capital Corporation	Investment in domestic and foreign science and technology businesses, other domestic and foreign venture capital businesses, and domestic general manufacturing
THE Cycle Group, Inc.	Development, design and sale of high-end bicycle related products
Box B.V.	Expand into the European market, Sales of bicycle-related products.



#### 4. Operating status of each affiliate

Unit : NT\$ Thousand

Name of Company	Currency	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Net Income (Loss) (After-tax)	Earnings per share (NT\$) (After-tax)
Lee Chi International Holding Ltd.	USD	23,500	28,436	41	28,395	—	(259)	(3,105)	—
Ever Glory Machinery (Kun Shan) Co., Ltd	RMB	83,240	290,158	101,843	188,315	188,981	(29,149)	(20,678)	—
Chief Venture Capital Corporation (Note 2)	NT	200,000	265,573	13,425	252,148	1,994	(251)	1,518	0.08
THE Cycle Group, Inc.	USD	6,000	3,190	9,676	(6,486)	2,755	(1,081)	(1,000)	—
Box B.V.	EUR	0.001	4	10	(6)	5	(5)	(1)	—

5. Information on directors, supervisors, and presidents of affiliates

Unit: USD Thousand; share; %

Name of Company	Title	Name or representative	Shareholding		Note
			Shares	%	
Lee Chi International Holding Ltd.	Director	Lin, Yu-Hsin	23,500,000	100.00%	Representative of Lee Chi Enterprises Co., Ltd.
Ever Glory Machinery (Kun Shan) Co., Ltd.	Chairman	Lin, Yu-Hsin	Capital contribution 10,000	100.00%	Representative of Lee Chi International Holding Ltd.
	Director and President	Hsieh, Kuo-Liang	Capital contribution 10,000	100.00%	Representative of Lee Chi International Holding Ltd.
	Director	Lin, Yi-Hsien	Capital contribution 10,000	100.00%	Representative of Lee Chi International Holding Ltd.
	Director	Lin, Yu-Sheng	Capital contribution 10,000	100.00%	Representative of Lee Chi International Holding Ltd.
	Director	Lee, Yu-Cheng	Capital contribution 10,000	100.00%	Representative of Lee Chi International Holding Ltd.
	Supervisor	Chu, Ming-Yang	Capital contribution 10,000	100.00%	Representative of Lee Chi International Holding Ltd.

Name of Company	Title	Name or representative	Shareholding		Note
			Shares	%	
Chief Venture Capital Corporation	Chairman	Lin, Yu-Hsin	1,750,000	8.75%	-
	Director	Lee, Yu-Cheng	11,000,000	55.00%	Representative of Lee Chi Enterprises Co., Ltd.
	Director	Lin, Yi-Hsien	1,750,000	8.75%	-
	Director	Lin, Yu-Sheng	1,750,000	8.75%	-
	Director	Lin, Kun-Ming	500,000	2.50%	Representative of Huiyu Investment Co., Ltd.
	Supervisors	Lin, Yi-Jiing	1,000,000	5.00%	Representative of Premier Capital Management Corp.
	Supervisors	Lin, Ling-Yu	0	0.00%	-
THE Cycle Group, Inc.	Chairman	Lin, Yu-Hsin	6,000,000	100.00%	Representative of Lee Chi Enterprises Co., Ltd.
BOX B.V	Director	Anderson, Kenneth Kawachi	100	100.00%	Representative of THE Cycle Group, Inc.

(III) The affiliation report: Not applicable.

**II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:** None.

**III. Any event which has a material impact on shareholders' rights and interests or securities prices as listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:**  
None.

**IV. Other necessary supplementary information:** None.

Lee Chi Enterprises Co., Ltd.

Chairman: Lin, Yu-Hsin