



TRIOCEAN INDUSTRIAL CORPORATION CO., LTD.

Stock Code : 1472

Website for annual report :
<https://mops.twse.com.tw>

Company website :
<https://triocean.com.tw/>

2024

Annual Report



Printed on March 31, 2025

- I. Spokesperson and acting spokesperson name, title, telephone number and email address:
- | | |
|--|--|
| The Company's Spokesperson | Acting Spokesperson |
| Name: Hsu Cheng-Che | Name: Chen Shu-Ying |
| Title: General Manager | Title: Chief of Accounting Division |
| Tel.:(07)356-0666 | Tel.:(07)356-0666#326 |
| E-mail: hsuroger@triocean.com.tw | E-mail: yingsc@triocean.com.tw |
- II. Addresses and telephone numbers of headquarters, branches, plants
Headquarters: No. 360, Jiabao Road, Dashe District, Kaohsiung City Tel: (07) 356-0666
- III. Name, address, website and telephone number of the stock transfer agency
Name: KGI Securities, Shareholder Service Department
Website: <http://www.kgieworld.com.tw>
Address: 5F, No. 2, Section 1, Chongqing South Road, Taipei City Tel.: (02)2389-2999
- IV. Name of the CPA certifying the financial statements in the most recent fiscal year and the name, address, website and telephone number of the accounting firm
Name of CPAs: Chen Chen-Li, Chen Hsiu-Wen
Name of CPA firm: Deloitte Taiwan
Address: 3F, No. 88, Chenggong 2nd Rd., Kaohsiung City
Website: www.deloitte.com.tw
Tel.: (07)530-1888
- V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities
None
- VI. Company website
<https://triocean.com.tw>

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One. Report to Shareholders

Dear Shareholders,

Thank you for attending the 2025 Annual Shareholders' Meeting. We appreciate your support over the years. The Company upholds the spirit of "Integrity, Quality, Innovation, Quality, Environmental Protection, and Progress" as the foundation of all business activities and is committed to providing quality construction services. In 2024, although the Company faced interest rate hikes and increases in raw material and labor costs, the consolidated operating revenue was NTD 2,335,467 thousand. By upholding the management philosophy of "safety first, schedule first, and cost control," our team continues to increase construction projects. There were no abnormal circumstances in the management of any of the projects. As the subsequent new projects begin, overall revenue is expected to grow steadily and increase.

I. 2024 Business Report

(I) Business implementation results:

Unit: NTD thousand

Item \ Year	2024	2023	Amount of difference	Difference ratio (%)
Net operating revenue	2,335,467	1,947,532	387,935	20%
Gross operating profit	287,235	252,824	34,411	14%
Net operating profit (loss)	152,598	129,354	23,244	18%
Pre-tax profit (loss)	196,090	151,868	44,222	29%
Net loss for the year	154,623	141,980	12,643	9%

(II) Analysis of income, expenditure and profitability:

Unit: NTD thousand

Item	2024	2023
Net cash inflow (outflow) from operating activities	288,401	203,909
Net cash inflow (outflow) from investing activities	(476,725)	316,164
Net cash inflow (outflow) from financing activities	180,734	14,779
Effect of exchange rate changes on cash	5,149	(21)
Net revenue increase (decrease) in cash	(2,441)	534,831
Opening balance of cash and cash equivalents	793,406	253,649
Cash included in the disposal group to be sold	-	4,926
Closing balance of cash and cash equivalents	790,965	793,406

(III) Profitability analysis

Item	2024	2023
Return on assets (%)	4.49	5.76
Return on equity (%)	8.96	12.91
Net profit margin (%)	6.62	7.29
Earnings per share (NTD)	3.31	4.27

II. 2025 Business Plan

We are committed to providing quality construction services. In 2025, our goal to securing high added-value tenders remains unchanged as our primary source of revenue still composes of public construction, social housing and other project sources. We will continue leading excellent contractors to bid for projects with high competitive advantages and are in line with social development trends, also implementing benefit-sharing and mutual growth to become a high-quality long-term business partners.

III. Effects of the external competitive environment, regulatory environment and overall managerial environment

Observing the recent international economic situation, the global economic growth has slowed down and the manufacturing sector has not yet bounced back, and the successive easing of monetary policies in major countries is helping to boost economic and trade dynamics. In addition, Trump's return to the White House has raised economic uncertainties, and his policies are expected to have a significant impact on global politics and economy.

As the government makes an effort to expand public construction, the demand for public sector, factory and commercial office construction is looking promising, hence the overall demand for construction works is expected to increase. Although the policy of importing foreign workers has helped to slow down the rise of material costs, additional construction costs resulting from the adoption of green methods and the difficulty in solving labor shortages is why we must keep a close eye on changes in wages and high building material prices, factors which will increase cost pressures on the construction industry. We will continue to adjust our business strategies accordingly in the face of external challenges.

IV. Future Development Strategies

In the face of variables such as inflation and international political and economic conditions, all employees of the Company will continue to work hard to address various challenges, adhere to the business philosophy of “pragmatism, quality improvement, and service” to operate in a pragmatic manner and devote time and effort in the industry. We integrate and strengthen the process of construction and management through technology to ensure the procurement of key materials, control contractor resources and meet construction deadlines, providing higher-value services to property owners and technological upgrades to contractors.

Looking into the future, the Company will focus not only on public construction projects for the most advantageous contracts, but also on achieving the Group’s sustainable strategic blueprint goals. As a company, we will strengthen corporate governance, integrate the Group’s resources, and actively participate in social welfare projects. We are committed to fulfilling the corporate social responsibility to shareholders and society, and strive to enhance the overall value of the Company in order to create maximum benefits for shareholders.

We hope you stay well and all the best

Chairman: Chiang Yu-Lien

General Manager: Hsu Cheng-Che

Two. Corporate Governance Report

I. Information on directors, supervisors, general managers, deputy general managers, assistant general managers, heads of various departments and branches

(I) Information of directors and supervisors

1. Main working (academic) experiences of directors and supervisors

March 31, 2025

Job title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Shares held by spouse and underage children		Shares held under someone else's name		Main working (academic) experiences	Positions concurrently serving in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Notes (Note 1)		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship			
Chairman	Republic of China	Hong-Ting Co., Ltd.	Not applicable	June 19, 2023	3 years	June 19, 2023	1,000	0.004	16,238,000	30.94	Not applicable	Not applicable	Not applicable	Not applicable	Chairman and concurrently the General Manager of Hong-Ting Co., Ltd.; Chairman of Lian-Chuang Enterprise Co., Ltd.; Chairman and concurrently the General Manager of Zhou-Ting Property Co., Ltd.; M.S. in Finance and Taxation, National Kaohsiung University of Science and Technology	Chairman and concurrently the General Manager of Hong-Ting Co., Ltd.; Chairman and concurrently the General Manager of the General Manager of Zhou-Ting Property Co., Ltd.						
		Representative: Chiang Yu-Lien	Female, Aged 51—60	June 19, 2023	3 years	June 19, 2023	-	-	2,000,000	3.81	2,567,468	4.89	-	-	None	None	None	None	None	None	None	
Director	R.O.C	Dai Wan Shiang Ching Co., Ltd.	Male, Aged 51—60	June 19, 2023	3 years	June 19, 2023	1,069,789	4.28	1,069,789	2.04					Lawyer of Chien Yeh Law Offices; lecturer at National Pingtung University of Education; lecturer of EMLBA, National University of Kaohsiung; Master of Law, National Kaohsiung University	Attorney-at-law at Justice-Track Law Office						
		Representative: Hung Kuo-Chin	Male, Aged 51—60	June 19, 2023	3 years	June 19, 2023	-	-	-	-	-	-	-	-	None	None	None	None	None	None	None	

Job title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Shares held by spouse and underage children		Shares held under someone else's name		Main working (academic) experiences	Positions concurrently serving in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Notes (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Director	R.O.C	Dai Wan Shiang Ching Co., Ltd.	Male Aged 41—50	June 19, 2023	3 years	June 19, 2023	1,069,789	4.28	1,069,789	2.04					Assistant Manager of Deloitte & Touche; Deputy General Manager of finance, accounting and administration, Logah Technology Corporation; Deputy General Manager of finance, accounting and administration, CD Star Co., Ltd.; Master of Accounting, National Chung Cheng University	Chief Accountant of Kaohsiung Branch of Legendary & Steadfast Accountancy	None	None	None	None
Independent Director	Republic of China	Huang Hao-Chen	Male Aged 41—50	June 19, 2023	3 years	June 19, 2023								Professor of Department of Wealth and Taxation Management, College of Management, National Kaohsiung University of Applied Sciences; professor and concurrently deputy dean and acting dean, Department of Public Finance and Taxation, Business Intelligence School, National Kaohsiung University of Science and Technology; Ph.D., Institute of Business Administration, National Taiwan University	Professor of Department of Public Finance and Taxation, Business Intelligence School, National Kaohsiung University of Science and Technology	None	None	None	None	

Job title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first election	Shares held at the time of election		Current shareholding		Shares held by spouse and underage children		Shares held under someone else's name		Main working (academic) experiences	Positions concurrently serving in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Notes (Note 1)
							Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares			Job title	Name	Relationship	
Independent Director	Republic of China	Huang Lung-Sheng	Male Aged 51--60	June 19, 2023	3 years	June 19, 2023	-	-	-	-	-	-	-	-	Assistant professor of Cheng Shiu University; associate professor of Shu-Te University; Ph.D., Department of Civil Engineering, National Cheng Kung University	Professor of Shu-Te University	None	None	None	None
Independent Director	Republic of China	Wang Chien-Chih	Male Aged 51--60	June 19, 2023	3 years	June 19, 2023	-	-	-	-	-	-	-	-	Engineer of Public Housing Division, Taipei City Government; researcher of Sinotech Engineering Consultants, Ltd.; assistant engineer of Department of Engineering, Mass Rapid Transit Bureau, Kaohsiung City Government.	Professor of Cheng Shiu University	None	None	None	None

Note 1: If the Chairman of the Company and the General Manager or equivalent (top manager) of the Company are the same person, spouses or first-degree relatives of the other, it is necessary to explain the reason, reasonableness, necessity and relevant information of response measures.

2. Where a director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder and the names of the top ten shareholders of the corporate shareholder and their shareholding percentage:

Name of corporate shareholder	Main shareholders of corporate shareholders	
	Name	Shareholding ratio
Hong-Ting Co., Ltd.	Hung Hung-Chang	81.25%
	Chiang Yu-Lien	18.75%
Dai Wan Shiung Ching Co., Ltd.	Hung Chih-Yu	50%
	Hung Chi-Wei	50%

3. Disclosure of professional qualifications of directors and supervisors, and independence of independent directors:

- (1) Disclosure of information on directors' professional qualifications and independence of independent directors:

Condition Name	Professional qualifications <u>and experience</u> (Note 1)	Status of independence (Note 2)	Number of independent directors in other public companies
Chairman, Chiang Yu-Lien	<p>Experience: Chairman and concurrently the General Manager of Hong-Ting Co., Ltd., Lian-Chuang Enterprise Co., Ltd., and Zhou-Ting Property Co., Ltd. Possessing the business and strategic management experience in the construction industry, which, therefore, possesses industry knowledge, marketing and leadership ability, decision-making ability and operation and management experience, meeting the requirement of having five years' or more work experience required by the Company's business. Not subject to any of the conditions specified in Article 30 of the Company Act.</p>	<p>1. A representative appointed by Hong-Ting Co., Ltd. – a director of the corporate shareholder who holds more than 5% of the outstanding shares of the Company. 2. The other independent directors have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission. The independent directors meet the relevant independence requirements.</p>	None

Condition Name	Professional qualifications <u>and experience</u> (Note 1)	Status of independence (Note 2)	Number of independent directors in other public companies
Director Hung Kuo-Chin	<p>Experience: Lawyer of Chien Yeh Law Offices; lecturer at National Pingtung University of Education; lecturer of EMLBA, National University of Kaohsiung; Master of Law, National Kaohsiung University.</p> <p>Possessing competence in law or the legal field which can provide professional insights, share practical experiences, and offer valuable suggestions; meeting the requirement of having five years' or more work experience required by the Company's business.</p> <p>Not subject to any of the conditions specified in Article 30 of the Company Act.</p>	<p>1. The representative appointed by Dai Wan Shiung Ching Co., Ltd., a corporate director of the Company.</p> <p>2. The other independent directors have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission. The independent directors meet the relevant independence requirements.</p>	1
Director Su Cheng-Hui	<p>Experience: Assistant Manager of Deloitte & Touche; Deputy General Manager of finance, accounting and administration, Logah Technology Corporation; Deputy General Manager of finance, accounting and administration, CD Star Co., Ltd.; Chief CPA of Legendary & Steadfast Accountancy (LSA), Kaohsiung Branch.</p> <p>Possessing professional competence in commerce, finance, and accounting which can provide the Company with professional insights, share practical experience, and many valuable suggestions; meeting the requirement of having five years' or more work experience required by the Company's business.</p> <p>Not subject to any of the conditions specified in Article 30 of the Company Act.</p>	<p>1. The representative appointed by Dai Wan Shiung Ching Co., Ltd., a corporate director of the Company.</p> <p>2. The other independent directors have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission. The independent directors meet the relevant independence requirements.</p>	2

Condition Name	Professional qualifications <u>and experience</u> (Note 1)	Status of independence (Note 2)	Number of independent directors in other public companies
Independent Director Huang Hao-Chen	Experience: Professor of Department of Wealth and Taxation Management, College of Management, National Kaohsiung University of Applied Sciences; professor and concurrently deputy dean and acting dean of Department of Public Finance and Taxation, Business Intelligence School, National Kaohsiung University of Science and Technology; professor of Department of Public Finance and Taxation, Business Intelligence School, National Kaohsiung University of Science and Technology Possessing the work experience and professional knowledge and skills required for commerce and the Company's business; meeting the requirement of having five years' or more work experience required by the Company's business. Not subject to any of the conditions specified in Article 30 of the Company Act.	An independent director, meeting the requirements of independence. None (Note 2) .	None
Independent Director Huang Lung-Sheng	Experience: Assistant professor of Cheng Shiu University; associate professor of Shu-Te University; professor of Shu-Te University Possessing the work experience and professional knowledge and skills required for commerce and the Company's business; meeting the requirement of having five years' or more work experience required by the Company's business. Not subject to any of the conditions specified in Article 30 of the Company Act.	An independent director, meeting the requirements of independence. None (Note 2) .	None
Independent Director Wang Chien-Chih	Experience: Engineer of Public Housing Division, Taipei City Government; researcher of Sinotech Engineering Consultants, Ltd.; assistant engineer of Department of Engineering, Mass Rapid Transit Bureau, Kaohsiung City Government; professor of Cheng Shiu University Possessing the work experience and professional knowledge and skills required for commerce and the Company's business; meeting the requirement of having five years' or more work experience required by the Company's business. Not subject to any of the conditions specified in Article 30 of the Company Act.	An independent director, meeting the requirements of independence. None (Note 2) .	None

Condition Name	Professional qualifications <u>and experience</u> (Note 1)	Status of independence (Note 2)	Number of independent directors in other public companies
Independent Director Hung Yu-Ting (Note 3)	Experience: Special Assistant to chairman of Daily Polymer Corporation Possessing the work experience and professional knowledge and skills required for commerce and the Company's business; meeting the requirement of having five years' or more work experience required by the Company's business. Not subject to any of the conditions specified in Article 30 of the Company Act.	An independent director, meeting the requirements of independence. None (Note 2) .	2

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be stated. If an individual is a member of the Audit Committee and has accounting or financial expertise, the accounting or financial background and work experience shall be stated, along with provisions in Article 30 of the Company Act.

Note 2: Independence of Independent directors shall be specified, including but not limited to whether themselves, their spouse, or relatives within 2nd degree of kinship serving as directors, supervisors, or employees of the Company or its affiliated companies; the number and percentage of shares held by themselves, their spouse, or relatives within 2nd degree of kinship (or in the name of another individual); whether or not he/she holds a position as a director, supervisor, or employee in a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5–8 of the Regulations for Appointment of Independent Directors and Compliance Matters); the amount of remuneration to directors, supervisors, or employees; the amount of remuneration for providing commercial, legal, financial, accounting services to the Company or its affiliates in the last 2 years.

Note 3: Ms. Hung Yu-Ting, an independent director of the Company, resigned as an independent director and all functional committee member under the Board of Directors on July 17, 2023 due to personal reasons.

(2) Diversity and independence of the Board of Directors:

a. Diversity of the Board of Directors:

The election of directors has been stipulated in the Company's "Articles of Incorporation" and "Procedures for Election of Directors," and the overall composition of the Board of Directors shall also be considered. A policy for strengthening the Board's competency is included in our Corporate Governance Best-Practice Principles. The composition of the Board of Directors shall take diversity into consideration. In addition to the fact that it is advisable that no more than one-third of the Board are concurrently serving as managers, the Board shall also adopt an appropriate policy for diversity in terms of its own operation, business model, and development needs. It is advisable to include but not limited to the following standards for the two major aspects:

- I. Basic conditions and values: Gender, age, nationality, culture, etc.
- II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experiences.

Members of the Board shall generally possess the necessary knowledge, skills, and competence to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole shall possess the following capabilities:

- I. The ability to make judgments regarding operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Industry knowledge
- VI. International market perspectives.
- VII. Leadership ability
- VIII. Decision-making ability

The Company's board members are professionals with different professional backgrounds or fields, which is in line with the diversity policy. In 2025, the average age of the current board members is 54 years old, of which 67% are directors over 50 years old, and 33% is under 50 years old; all directors are not employees, so the proportion of directors who are also employees is 0%. The total number of independent directors is 0%. There are three independent directors, accounting for 50% of all six directors. None of the three independent directors has served for more than three consecutive terms. We have one female director, accounting for 17% of all directors. The Company is committed to gender equality within the Board and plans to increase the number of female directors in the next term. For information regarding the age, nationality, tenure and professional ability of independent directors, please refer to the following table of "The implementation of the diversity policy of the current Board of Directors in 2025".

The specific management objectives of the Company's board diversity policy and its progress are as follows:

Management objectives	Status of achievement
The number of independent directors exceeds one-third of the total number of directors.	Achieved
It is advisable that the number of directors who also serve as the Company's managers shall not exceed one-third of the total number of directors	Achieved
Directors of different genders	Achieved
Adequate and diversified professional knowledge and skills	Achieved

The implementation of the diversity policy of the current Board of Directors in 2025 is as follows:

Diversified core items Name of director	Gender	Nationality	Age			Length of tenure of independent directors		Professional ability										
			41 to 50	51 to 60	61 to 70	Less than 3 years	3 to 9 years	Over 9 years	Business judgment	Financial analysis	Operation and management	Legal knowledge	Crisis management	Industry knowledge	International market perspectives	Leadership ability	Decision-making ability	
Chairman, Chiang Yu-Lien	Female	Taiwan		v					v	v	v		v	v	v	v	v	v
Director, Hung Kuo-Chin	Male	Taiwan		v					v		v		v		v		v	v
Director, Su Cheng-Hui	Male	Taiwan	v						v	v	v		v		v		v	v

Diversified core items Name of director	Gender	Nationality	Age			Length of tenure of independent directors			Professional ability								
			41 to 50	51 to 60	61 to 70	Less than 3 years	3 to 9 years	Over 9 years	Business judgment	Financial analysis	Operation and management	Legal knowledge	Crisis management	Industry knowledge	International market perspectives	Leadership ability	Decision-making ability
Independent Director, Huang Hao-Chen	Male	Taiwan	v			v			v	v	v		v		v	v	v
Independent Director, Huang Lung-Sheng	Male	Taiwan		v		v			v		v		v	v	v	v	v
Independent Director, Wang Chien-Chih	Male	Taiwan		v		v			v		v		v	v	v	v	v

b. Diversity policy:

1. Corporate Governance Best-Practice Principles:

Article 20 (Abilities which the Board of Directors shall possess as a whole)

The Board of Directors shall guide the Company's strategies, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of its corporate governance system shall ensure that the Board exercises its powers in accordance with laws and regulations, the Articles of Incorporation or the resolutions of shareholders' meetings.

The structure of the Board of Directors should consider the need for practical operations, and determine an appropriate number of directors for five or more members based on the scale of the Company's business development and the shareholdings of major shareholders.

The composition of the Board of Directors shall take diversity into consideration. In addition to the fact that it is advisable that no more than one-third of the Board are concurrently serving as managers, the Board shall adopt an appropriate policy for diversification in terms of its own operation, business model, and development needs. It is advisable to include but not limited to the following standards for the two major aspects:

- I. Basic conditions and values: Gender, age, nationality, culture, etc.
- II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experiences.

Members of the Board shall generally possess the necessary knowledge, skills, and competence to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole shall possess the following capabilities:

- I. The ability to make judgments regarding operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Industry knowledge
- VI. International market perspectives
- VII. Leadership ability
- VIII. Decision-making ability.

2. Procedures for the Election of Directors

Article 1: Except as otherwise provided by laws and regulations or the Articles of Incorporation, the election of directors of the Company shall be conducted in accordance with these Procedures.

Article 2: The overall composition of the Board of Directors shall be considered in the election of the Company's directors. The composition of the Board of Directors shall take diversity into consideration. The Board shall adopt an appropriate policy for diversification in terms of its own operation, business model, and development needs. It is advisable to include but not limited to the following standards for the two major aspects:

- I. Basic conditions and values: Gender, age, nationality, culture, etc.
- II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experiences.

Members of the Board shall generally possess the necessary knowledge, skills, and competence to perform their duties.

The abilities to be possessed are as follows:

- I. The ability to make judgments regarding operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Industry knowledge
- VI. International market perspectives.
- VII. Leadership ability
- VIII. Decision-making ability

More than half of the directors shall not be a spouse or a relative within the second degree of kinship.

The Board of Directors shall consider adjusting the composition of the Board based on the results of the performance evaluation.

The qualifications and election of independent directors are governed by the Company Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

(3) Independence of the Board of Directors:

1. Board structure:

The Company has established a director election system. The procedure for the election of all directors is open and fair, and complies with the Company's "Articles of Incorporation," "Procedures for Election of Directors," "Corporate Governance Best-Practice Principles," and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and Article 14-2 of the Securities and Exchange Act. The current composition of the Board of Directors is divided into three independent directors and three non-independent directors. The independent directors represent more than one-third of the board seats. All the directors are not a spouse or relative within 2nd degree of kinship,

meeting the requirements set forth in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act.

2. The Board of Directors is independent:

The Company's Board of Directors emphasizes independence and transparency. The independent directors also comply with relevant laws and regulations as the functions and powers of the Audit Committee are exercised independently to review the Company's management and control of existing or potential risks. Moreover, they supervise the effective implementation of the Company's internal control, the selection and independence of CPAs, and the preparation of financial reports. In addition, the director election system and the candidate nomination system are adopted for the election of directors (including independent directors) in accordance with the "Procedures for the Election of Directors" of the Company, to encourage shareholder participation in the election. Shareholders holding a certain number of shares or more may submit a list of candidates. All relevant operations are announced in accordance with the law to protect the rights and interests of shareholders and maintain independence.

(II) Information on directors, supervisors, general manager, deputy general manager, assistant managers, and heads of various departments and branches

March 31, 2025; Unit: Shares; %

Job title	Nationality	Name	Gender	Date of inauguration (election)	Number of shares held		Number of shares held by spouse and underage children		Shares held in someone else's name		Main working (academic) experience	Duties of the concurrent position in other companies	Managers who are a spouse or a relative within the second degree of kinship		Notes (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	
General Manager	R.O.C.	Hsu Cheng-Che	Male	June 28, 2023	70,648	0.13	-	-	-	-	Financial Assistant Manager, Taiwan Environment Scientific Co., Ltd.; CFO of STL Technology Co., Ltd.; Master of Business Management, National Sun Yat-sen University	Chairman and President, Tri Ocean Textile (Thailand) Co., Ltd.; Chairman and President, Shang-Ting Construction Co., Ltd.; Director, Kuo Toong International Co., Ltd.	None	None	None
Manager, Finance and Accounting Department	R.O.C.	Chen Hsing-Chen	Female	November 9, 2023	20,000	0.04	-	-	-	-	Manager of Finance and Accounting Department, JMC Electronics Co., Ltd.; Institute of Finance, I-Shou University	Finance and Accounting Manager of Tri Ocean Textile (Thailand) Co., Ltd., and Finance and Accounting Manager of Shang-Ting Construction Co., Ltd.	None	None	None

Note 1: When the general manager or a person of equivalent position (the highest level manager) and the chairman are the same person, spouses, or relatives within the first degree of kinship, the Company shall disclose relevant information, such as the reason, reasonableness, necessity, and countermeasures (e.g. increasing the number of independent directors, and more than half of the directors do not serve as employees or managers concurrently).

II. Remuneration to directors, supervisors, general managers, and deputy general managers in the most recent year; remuneration to directors and independent directors:

(I) Remuneration paid to directors, supervisors, general managers, and deputy general managers in the most recent year (2024) and remuneration paid to ordinary directors and independent directors:

1. Remuneration to directors (including independent directors)

December 31, 2024; Unit: NTD thousand

Job title	Name	Remuneration to directors				The sum of A, B, C, and D as a percentage of net income after tax (%)		Remuneration to individuals concurrently serving as employees		The sum of A, B, C, D, E, F and G as a percentage of net income after tax (%)		Received remuneration from investees other than subsidiaries or the parent company or not
		Remuneration (A)	Retirement from service (B)	Remuneration to directors (C)	Business execution expenses (D)	Salaries, bonuses and allowances (E)	Severance pay and pension (F)	The Company	All companies included in the financial report	The Company	All companies included in the financial report	
Chairman	Hong-Ting Co., Ltd. Representative: Chiang Yu-Lien	-	-	7,631	120	7,200	-	-	-	-	-	-
Director	Dai Wan Shihung Ching Co., Ltd. Representative: Hung Kuo-Chin	-	-	7,631	120	-	-	-	-	-	14,951	14,951
Director	Dai Wan Shihung Ching Co., Ltd. Representative: Su Cheng-Hui	-	-	-	-	-	-	-	-	-	9,67%	9,67%
Independent Director	Huang Hao-Chen	1,260	-	-	480	-	-	-	-	-	1,740	1,740
Independent Director	Huang Lung-Sheng	1,260	-	-	480	-	-	-	-	-	1,740	1,740
Independent Director	Wang Chien-Chih	-	-	-	-	-	-	-	-	-	1.13%	1.13%

1. Please state the policy, system, standard and structure of the remuneration to independent directors, and the correlation to the amount of remuneration based on their responsibilities, risks, time invested and other factors: The Company's policy and standards for remuneration to directors are based on the Company's Articles of Incorporation. The travel expenses and remunerations of all directors are determined by the Board of Directors after the evaluation by the Remuneration Committee with reference to the standards in the industry.

2. Other than the disclosure in the above table, remuneration to the Company's directors for providing services (such as serving as a consultant to the parent company/all companies included in the financial reports/investees who are not employees) in the most recent year: None

Range of Remuneration Table

Range of remuneration paid to each director	Name of director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
Below NTD 1,000,000	Chiang Yu-Lien, Hung Kuo-Chin, Su Cheng-Hui, Huang Hao-Chen, Huang Lung-Sheng, Wang Chien-Chih	Chiang Yu-Lien, Hung Kuo-Chin, Su Cheng-Hui, Huang Hao-Chen, Huang Lung-Sheng, Wang Chien-Chih	Chiang Yu-Lien, Hung Kuo-Chin, Su Cheng-Hui, Huang Hao-Chen, Huang Lung-Sheng, Wang Chien-Chih	Chiang Yu-Lien, Hung Kuo-Chin, Su Cheng-Hui, Huang Hao-Chen, Huang Lung-Sheng, Wang Chien-Chih
NTD 1,000,000 (inclusive) – NTD 2,000,000				
NTD 2,000,000 (inclusive) - NTD 3,500,000	Dai Wan Shiung Ching Co., Ltd.	Dai Wan Shiung Ching Co., Ltd.	Dai Wan Shiung Ching Co., Ltd.	Dai Wan Shiung Ching Co., Ltd.
NTD 3,500,000 (inclusive) - NTD 5,000,000	Hong-Ting Co., Ltd..	Hong-Ting Co., Ltd..		
NTD 5,000,000 (inclusive) - NTD 10,000,000			Hong-Ting Co., Ltd..	Hong-Ting Co., Ltd..
NTD 10,000,000 (inclusive) - NTD 15,000,000				
NTD 15,000,000 (inclusive) - NTD 30,000,000				
NTD 30,000,000 (inclusive) - NTD 50,000,000				
NTD 50,000,000 (inclusive) - NTD 100,000,000				
Over NTD 100,000,000				
Total	Corporate shareholder: 2 Legal representative: 3 Natural person: 3	Corporate shareholder: 2 Legal representative: 3 Natural person: 3	Corporate shareholder: 2 Legal representative: 3 Natural person: 3	Corporate shareholder: 2 Legal representative: 3 Natural person: 3

Note 1: On March 11, 2025, the Company's Board of Directors approved the distribution of the 2024 remuneration to directors of NTD 7,631 thousand. The above figures are provisional estimates to be distributed.

Note 2: The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for taxation purpose.

2. Remuneration to general managers and deputy general managers

December 31, 2024; Unit: NTD thousand

Job title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Amount of remuneration to employees (D)				The sum of A, B, C, and D as a percentage of net income after tax (%)		Received remuneration from investees other than subsidiaries or the parent company	
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash Amount	Stocks Amount	The Company	All companies included in the financial report		
General Manager	Hsu Cheng-Che	1,560	1,560	94	94	1,170	1,170	Note 1	-	-	2,824	2,824	1.83	1.83	-

Note 1: On March 11, 2025, the Company's Board of Directors approved the distribution of the 2024 remuneration to employees of NTD 3,815 thousand. The above figures are provisional estimates to be distributed.

Note 2: The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for taxation purpose.

3. Names of managers responsible for distributing employee remuneration and the distribution:

(1) Names of managers responsible for distributing employee remuneration and the distribution

2024; Unit: NTD/Share

	Job title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net income after tax (%)
Manager	General Manager	Hsu Cheng-Che	0	0	0	0%
	Manager, Finance and Accounting Department	Chen Hsing-Chen				

Note: Managers did not participate in the distribution of the 2023 employee remuneration.

(2) Names of managers who received employee remuneration in the most recent year (2024) and the distribution status: On March 11, 2025, the Company's Board of Directors passed a resolution of NTD 3,815 thousand for employee remuneration, the total amount of which accounted for 2.47% of net income after tax, and the distribution details have not yet been approved.

(II) Please compare and state the analysis of the total remuneration paid to the Company's directors, supervisors, general manager and deputy general manager in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the after-tax net income of the parent company only or individual financial reports. Additionally, please state the remuneration policy, standards and combinations, the procedure for determining remuneration and their correlation with operating performance:

1. Analysis of remuneration to directors, supervisors, general managers, and deputy general managers in the last two years as a percentage of net income after tax:

Job title	The proportion of total remuneration in the net income after tax of the parent company only or individual financial reports			
	2024		2023	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report
Director	10.80%	10.80%	6.5%	6.5%
Supervisor	-	-	-	-
General Manager and Deputy General Manager	1.83%	1.83%	2.1%	2.1%

Since the Company's net profit after tax was NTD 154,623 thousand in 2024, an increase of 8.9% compared to 2023, the proportion of remuneration to net income after tax was reasonable.

2. The policies, standards and components of remuneration, the procedure for determining remuneration, and their correlation with operating performance and future risks:

(1) Remuneration to directors:

The Company has established the Remuneration Committee in accordance with the regulations of the competent authority, and the remuneration to directors is based on the “Remuneration Committee Charter” established by the Company. The Remuneration Committee takes into account the industry norm according to the regulations. After evaluating the level of participation in the Company’s operations, contribution, the rationality of the association between the Company’s operating performance and future risks, the Committee will submit suggestions to the Board of Directors for discussion and approval.

(2) Remuneration to General Manager and Deputy General Manager:

The Company has established the Remuneration Committee in accordance with the regulations of the competent authority. The remuneration to the General Manager and Deputy General Manager (including salaries and bonuses) must be submitted by the Remuneration Committee to the Board of Directors for discussion and approval. The remuneration is determined based on the Company’s policy of the year, profits, and individual performance. The Company will review the remuneration system in a timely manner depending on the actual operating conditions and relevant laws and regulations, in order to achieve the goal of a balance between the Company’s sustainable operation and risk control.

(3) Future risks:

The Company’s policy of remuneration to directors, General Manager, and Deputy General Manager and the procedures for determining remuneration are positively related to its operating performance and future risks.

3. The link between the Company’s director performance evaluation and remuneration:

In accordance with Article 17 and Article 25 of the Company’s Articles of Incorporation, the Board of Directors is authorized to determine the remuneration to the directors in accordance with the extent of their participation in the Company’s operations and their contribution, and with reference to domestic and foreign industry standard. If the Company makes a profit in the year, it may set aside no more than 1% of the above-mentioned profit for the remuneration to directors, as resolved by the Board of Directors. In 2024, the Company allocated 4% of the profit as remuneration to directors in accordance with the regulations, which was NTD 7,631 thousand. In addition, according to the Company’s “Rules for Performance Evaluation of the Board of Directors”, the results of the performance evaluation of the Board shall be used as a reference for the selection or nomination of directors. Moreover, the performance evaluation of individual directors (excluding independent directors) shall be used as the basis for determining their individual remuneration for reference.

III. Corporate governance operations

(I) Status of operation of the Board of Directors:

1. Information on the status of operation of the Board of Directors:

The Board of Directors is operated in accordance with the “Rules of Procedure for Board of Directors Meetings of Public Companies”. The Board of Directors held six meetings (A) in the most recent year. The attendance of directors and supervisors is as follows:

Status of operation of the Board of Directors

Job title	Name	Actual attendance B	Attendance by proxy No. of times	Actual attendance rate (%)	Notes
Chairman	Appointed by Zhou Ting Co., Ltd.: Chiang Yu-Lien	6	0	100.00	
Director	Appointed by Dai Wan Shiung Ching Co., Ltd.: Hung Kuo-Chin	6	0	100.00	
Director	Appointed by Dai Wan Shiung Ching Co., Ltd.: Su, Cheng-Hui	6	0	100.00	
Independent Director (Note 1)	Hung Yu-Ting	-	-	-	2023/7/17 Resigned
Independent Director	Huang Hao-Chen	6	0	100.00	
Independent Director	Huang Lung-Sheng	6	0	100.00	
Independent Director	Wang Chien-Chih	6	0	100.00	

Note 1: Resigned on July 17, 2023.

Other information to be disclosed:

I. If the operation of the Board is under any of the following circumstances, the date and session of the Board, the contents of the motions, the opinions of all independent directors, and the Company’s handling of the opinions of the independent directors shall be stated:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: None.

(II) Except for the aforementioned matters, any other resolutions of the Board of Directors’ meetings to which independent directors objected or have reservations that are recorded or stated in a written statement: None.

II. Implementation of recusal of motions involving conflicting interests of the Board of Directors:

Meeting date	Name of director	Motion Content	Reason for recusal and participation of voting
2024.03.12	Su Cheng-Hui	Motion for lifting the non-compete restriction for directors	According to Article 206 of the Company Act, those with a conflict of interest did not participate in discussion and voting
2024.04.11	Chiang Yu-Lien	Motion to ratify the signing of the Company's house lease.	According to Article 206 of the Company Act, those with a conflict of interest did not participate in discussion and voting
2024.04.11	Chiang Yu-Lien	Motion to ratify the signing of the subsidiary's house lease.	According to Article 206 of the Company Act, those with a conflict of interest did not participate in discussion and voting
2024.08.09	Chiang Yu-Lien, Hung Kuo-Chin, Su Cheng-Hui	Motion for distribution of the 2023 remuneration to directors and the date of distribution.	According to Article 206 of the Company Act, those with a conflict of interest did not participate in discussion and voting
2024.09.19	Chiang Yu-Lien, Huang Hao-Chen, Huang Lung-Sheng, Wang Chien-Chih	Motion for establishment of the Sustainable Development Committee.	According to Article 206 of the Company Act, those with a conflict of interest did not participate in discussion and voting

III. TWSE/TPEX listed companies should disclose the evaluation cycle and period, evaluation scope, method, and evaluation content of the board's self (or peer) evaluation:

The Company has established a performance evaluation system for the Board. The Board of Directors has approved the "Rules for Performance Evaluation of the Board of Directors" to implement corporate governance, improve the Board's functions, and establish performance targets to enhance the Board's efficiency. The results of the performance evaluation of the Board of Directors shall be completed before the end of the first quarter of the following year .

(1) Evaluation cycle, period, scope, method and content:

(1) Evaluation cycle, period, scope, method and content:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	2024/01/01– 2024/12/31	Board of Directors as a whole	Internal self-evaluation of the Board of Directors	The evaluation items shall include the following five major aspects, totaling 45 indicators I. Degree of participation in the Company’s operations. II. Improvement of the quality of the Board’s decision-making. III. Composition and structure of the Board of Directors. IV. Election and further education of directors. V. Internal control.
		Individual board members	Self-evaluation of Board members	The evaluation items shall include the following six major aspects, totaling 23 indicators I. Understanding of the Company’s objectives and tasks. II. Awareness of the directors’ duties. III. Degree of participation in the Company’s operations. IV. Management of internal relationship and communication. V. Directors’ professionals and further education. VI. Internal control.
		Functional committee (Audit Committee, Remuneration Committee)	Self-evaluation of functional committee members	The evaluation items shall include the following five major aspects, totaling 24 indicators I. Degree of participation in the Company’s operations. II. Understanding of the functional committees’ duties. III. Improvement of the decision-making quality of the functional committees. IV. Composition of the functional committees and election of the members. V. Internal control.
		Sustainability Committee	Self-evaluation of the Sustainable Development Committee members	The evaluation items shall include the following five major aspects, totaling 19 indicators I. Degree of participation in the Company’s operations. II. Understanding of the functional committees’ duties. III. Improvement of the decision-making quality of the functional committees. IV. Composition of the functional committees and election of the members. V. Internal control.

(2) Results of the performance evaluation of the Board of Directors for 2024:

- I. Basis: The Company’s “Rules for Performance Evaluation of the Board of Directors”.
 - II. Evaluation method : Internal self-evaluation of the Board of Directors and self-evaluation of directors .
 - III. Evaluation period: January 1 to December 31, 2023
 - IV. Evaluation scope: The Board of Directors as a whole, individual board members, and functional committees.
 - V. Evaluation content and results:
The evaluation results are divided and presented into five levels. The principles of the levels are described as follows:
Number 1: Very poor (Disagree); Number 2: Poor (Disagree); Number 3: Moderate (Average); Number 4: Good (Agree); Number 5: Excellent (Completely agree).
- (I) Evaluation of the performance of the Board of Directors as a whole:
The Board’s performance evaluation indicator includes five major aspects and a total of 45 indicators. The total score is 4.91, which is considered as “excellent,” indicating that the Board of Directors has performed its responsibility to guide and supervise the Company’s strategy, major business and risk management.

The quality of the Board’s decision-making is good, and the overall operation is complete, which is line with the requirements of corporate governance.

Five aspects of self-evaluation	Evaluation item	Evaluation result
A. Participation in the Company’s operations	12 items	4.92
B. Improvement of the Board’s decision-making quality	12 items	4.85
C. Composition and structure of the Board	7 items	4.93
D. Election and further education of Directors	7 items	4.93
E. Internal control	7 items	4.95
Total	45 items	4.91

(II) Self-evaluation of directors:

The performance evaluation indicators of board members include six major aspects and a total of 23 indicators. The overall score is 4.96, which is considered as “excellent”. It shows that the Company’s directors have positive comments regarding the efficiency and effects of the operation of each evaluation indicator.

Six aspects of self-evaluation	Evaluation item	Evaluation result
A. Understanding of the Company’s objectives and tasks	3 items	4.94
B. Awareness of the directors’ duties	3 items	5.00
C. Participation in the Company’s operations	8 items	4.92
D. Management of internal relationship and communication	3 items	4.89
E. Directors’ professionals and further education	3 items	5.00
F. Internal control	3 items	5.00
Total	23 items	4.96

(III) Evaluation of the overall performance of the functional committees:

The performance evaluation indicators of the functional committees include five major aspects and a total of 24 indicators. The overall score is 4.95, which is considered as “excellent”. It indicates that the functional committees have positive comments regarding the efficiency and effectiveness of each evaluation indicator.

Five aspects of self-evaluation	Evaluation item	Evaluation result
A. Participation in the Company’s operations	4 items	4.92
B. Understanding of the functional committees’ duties	7 items	4.95
C. Improvement of the decision-making quality by the functional committees	7 items	4.90
D. Composition of the functional committees and election of the members	3 items	5.00
E. Internal control	3 items	5.00
Total	24 items	4.95

(IV) Evaluation of the overall performance of the Sustainability Committee:

The performance evaluation indicators of the Sustainability Committee include five major aspects and a total of 19 indicators. The overall score is 4.98, which is considered “excellent.” It indicates that the functional committees have positive comments regarding the efficiency and effectiveness of each evaluation indicator.

Five aspects of self-evaluation	Evaluation item	Evaluation result
A. Participation in the Company’s operations	3 items	5.00
B. Understanding of the Sustainability Committee’s duties	4 items	4.88
C. Improvement of the decision-making quality by the Sustainability Committee	8 items	5.00
D. Composition of the Sustainability Committee and election of the members	2 items	5.00
E. Internal control	2 items	5.00
Total	19 items	4.98

(V) Suggestions:

In order to enhance the functions of the Board of Directors, we will actively invite directors to attend the shareholders' meetings to improve attendance rates and establish a good communication channel with the management team and shareholders, thereby increasing the participation of the Board of Directors in the Company’s operations. In addition, to strengthen the interaction between the Board of Directors and the CPAs, for the annual financial statements or major adjustments to the financial statements, CPAs are invited to attend the Board of Directors’ meeting to explain the report, so that the directors can fully understand the financial status. We understand the needs of individual directors and continue to provide them with a variety of courses to maintain their professional advantages and capabilities. We also encourage directors to put forward more specific suggestions on motions at board meetings, and arrange for them to communicate with the management team, CPAs, and auditing supervisor on a regular basis. This will maintain a close relationship and enhance interaction between the directors and the management team.

- (3) The Company’s Board’s performance evaluation is performed at least once a year, and is conducted by means of an online self-evaluation questionnaire. The results of the evaluation were reported to the Board of Directors on March 11, 2025, and improvements are being sought. For relevant contents, please refer to the Company’s website.

IV. Objectives to improve the functions of the Board in the current year and the most recent year (such as establishment of an audit committee, and improvement of information transparency) and evaluation of implementation:

Improvement of the functional objectives of the Board of Directors	Implementation evaluation
1. Establishing the Audit Committee	The Company elected three independent directors at the shareholders' meeting on June 2, 2020, and established the Audit Committee on the same day. In 2024, the three independent directors attended each board meeting in person.
2. Enhancing information transparency	The Company has designated personnel responsible for the online reporting operation of the Market Observation Post System, and to handle the collection and disclosure of the Company's information, to ensure that the information that may affect the decision-making of shareholders and stakeholders is disclosed in a timely manner.
3. Establishing communication channels with stakeholders	The Company has a spokesperson and an acting spokesperson, and a section for inquiries has been established on the Company's website. Each year, shareholders with the right to propose motions to the Company may do so in accordance with the relevant laws and regulations .
4. Improving all aspects of the Board of Directors	The Board of Directors emphasizes diversity and the members have the knowledge, skills and competence required for carrying out their duties, including different professional backgrounds in law, accounting and industry. They listen to the briefing from the management team at regular meetings The team maintains good communication and works together to create maximum benefits for shareholders.
5. Encouraging Directors for further education each year	The directors of the Company participated in the further education courses in 2024, and all the directors met the required hours.
6. Purchase of liability insurance for directors	Directors' liability insurance has been purchased by the Company and reported to the Board.

(II) Status of operation of the Audit Committee:

1. The Audit Committee held six meetings (A) in the most recent year, and the attendance of independent directors is as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note 1 and Note 2)	Notes
Independent Director	Hung Yu-Ting	-	-	-	Resigned on July 17, 2023
Independent Director	Huang Hao-Chen	6	0	100.00	
Independent Director	Huang Lung-Sheng	6	0	100.00	
Independent Director	Wang Chien-Chih	6	0	100.00	

Other information to be disclosed:

- I. The Audit Committee assists the Board of Directors in fulfilling its oversight of the quality and integrity of the Company's accounting, financial control, internal control processes, and financial reports, as well as compliance with relevant laws and regulations, audits, and potential risks.
- II. If the operation of the Audit Committee is under any of the following circumstances, the date of the Audit Committee meeting, the session of the meeting, the contents of the motions, the independent directors' objections, reserved opinions, or major suggestions, the Audit Committee's resolutions, and the Company's management for opinions.
- (I) Items listed in Article 14-5 of the Securities and Exchange Act: Please refer to "(5) Status of operation during the year."
- (II) Other than the aforesaid matters, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.
- III. Regarding the implementation of independent directors' recusal to avoid conflict of interest, the name of the independent director, content of the motion, reasons for recusal, and participation of voting shall be stated: None
- IV. Communication between independent directors and internal auditing supervisor and CPAs:
- (I) Individual communication between independent directors and auditing supervisor in 2024 (including pre-meeting):

Date	Communication method	Communication matter	Communication results
2024.03.12	5th meeting of the 2nd Audit Committee	1. Audit implementation status for Q4 2023 2. The Company's 2023 "Internal Control System Statement."	1. Noted; no comments and a report was submitted to the Board of Directors. 2. Approved by all the committee members in attendance, and submitted the motion to the Board for resolution.
2024.05.10	7th meeting of the 2nd Audit Committee	1. Audit implementation status for Q1 2024	1. Noted; no comments and a report was submitted to the Board of Directors.
2024.08.09	8th meeting of the 2nd Audit Committee	1. Audit implementation status for Q2 2024	1. Noted; no comments and a report was submitted to the Board of Directors.

2024.11.12	10th meeting of the 2nd Audit Committee	1. Audit implementation status for Q3 2024	1. Noted; no comments and a report was submitted to the Board of Directors.
(II) The auditing supervisor shall deliver the report to the independent directors via e-mail within one month after the completion of the audit report.			
(III) The Company has provided the independent directors and internal auditing supervisor with their phone numbers and e-mail addresses for direct contact and communication.			
(IV) Individual communication between independent directors and CPAs in 2024:			
Date	Communication method	Communication matter	Suggestions made by independent directors
March 12, 2024	Symposium of independent directors and CPAs	1. The Company's 2023 consolidated financial report and parent company only financial report.	None
2024.11.12	Symposium of independent directors and CPAs	1. Explanation of the Company's consolidated financial report for Q3 2024. 2. Explanation of the Company's key audit matters. 3. Introduction to future amendments to the laws and regulations of Statement of Auditing Standards No. 600.	None

Note 1: Before the end of the year, if an independent director resigns, the date of resignation shall be indicated in the notes column. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held and the actual attendance during his/her tenure.

Note 2: Before the end of the year, if an independent director is reelected, both the new and the previous independent director shall be listed. The notes column shall indicate whether the independent director is a former director, new director, or has been reelected as well as the date of the reelection. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held during his/her tenure and the actual attendance.

2. Key tasks of the year

(1) The Audit Committee consists of three independent directors. For professional qualifications and experience of the members, please refer to "I. Information on Directors – 3. Disclosure of Directors' Professional Knowledge and Independence Information" above. The purpose of the Audit Committee is to assist the Board of Directors in supervising the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial control. Matters reviewed by the Audit Committee include:

- ✧ Legal compliance
- ✧ Financial reports
- ✧ Auditing and accounting policies and procedures
- ✧ Internal control system and related policies and procedures
- ✧ Major asset or derivative transactions
- ✧ Material loaning of funds and endorsements/guarantees
- ✧ Raising or issuing securities
- ✧ Derivatives and cash investment
- ✧ Are there any related party transactions and possible conflicts of interest between managers and directors

- ✧ Fraud prevention plan and fraud investigation report
- ✧ Grievance report
- ✧ Information security
- ✧ Corporate risk management
- ✧ Qualification, independence and performance evaluation of CPAs
- ✧ Appointment, dismissal or remuneration of CPAs
- ✧ Appointment and dismissal of financial, accounting or internal auditing supervisor
- ✧ Fulfillment of duties of the Audit Committee
- ✧ Questionnaire for performance self-evaluation of the Audit Committee

(2)Evaluating the effectiveness of the internal control system

Audit Committee evaluates the effectiveness of the policies and procedures of the Company’s internal control system (including control measures in finance, operation, risk management, information security, outsourcing, legal compliance, etc.). The Committee also reviews the Company’s audit department and CPAs, as well as reporting to management on a regular basis on risk management and compliance. Regarding the integration structure of overall internal control formulated based on relevant laws and regulations, the Audit Committee believes that the Company’s risk management and internal control systems are effective. The Company has adopted the necessary control mechanisms to supervise and correct violations.

(3)Review of financial reports

The Board of Directors has prepared the Company’s business report, financial report and earnings distribution motion for 2023. The financial reports have been audited by CPAs Chen Chen-Li and Chen Hsiu-Wen of Deloitte & Touche, who issued an independent audit report. The above-mentioned business report, financial report and earnings distribution motion were reviewed by the Audit Committee and no discrepancy was found.

(4)Appointment of CPAs

The Audit Committee is entrusted with the duty of supervising the independence of the CPA firm to ensure the fairness of the financial statements. In general, a CPA firm shall not provide other services to the Company apart from tax-related services or specially approved items. The services provided by the CPA firm must be approved by the Audit Committee. To ensure the independence of the CPA firm, the Audit Committee has compiled an independence evaluation table based on Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant “Integrity, Objectivity, and Independence.” The Committee evaluates whether the firm is a stakeholder or shares business or financial interests with the Company according to the CPAs’ independence, professionalism and suitability. On March 12, 2024, the 5th meeting of the 2nd Audit Committee and the 6th meeting of the 22nd Board of Directors reviewed and approved the independence and competence of the CPAs Chen Chen-Li and Chen Hsiu-Wen of Deloitte & Touche to serve as the Company’s financial and tax CPAs.

(5) Status of operation during the year:

Summary of meeting motions of Audit Committee

Date	Name	Summary of motion	Matters listed in Article 14-5 of the Securities and Exchange Act	Independent directors' objections, reserved opinions, or major recommendations	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions	Resolutions not approved by the Audit Committee but approved by two-thirds of all directors
2024.03.12	5th meeting of the 2nd Audit Committee	<ol style="list-style-type: none"> 1. Approved the motion for Company's 2023 consolidated financial report and parent company only financial report. 2. Approved the motion for the Company's 2023 business report. 3. Approved the motion for the Company's 2023 earnings distribution. 4. Approved the motion for the Company's "Internal Control System Statement" for 2023. 5. Approved the motion for appointment of the Company's CPAs and their remuneration for 2024. 6. Approved the motion for issuance of new shares to increase capital by cash . 7. Approved the motion for establishment of the "Procedures for Employee Stock Options." 8. Approved the motion for formulation of the "Procedures for Ethical Corporate Management and Conduct Guidelines." 9. Approved the motion for amendment to "Supervision and Management of Subsidiaries." 10. Approved the motion for amendment to the "Articles of Incorporation." 	V V V V V V V V V V	None	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Approved unanimously by directors present at the meeting	None
2024.04.11	6th meeting of the 2nd Audit Committee	<ol style="list-style-type: none"> 1. Approved the ratification of the motion to sign the house leases of the Company. 2. Approved the ratification of the motion to sign the subsidiary's house lease. 	V V	None	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Approved unanimously by directors present at the meeting	None
2024.05.10	7th meeting of the 2nd Audit Committee	1. Motion for the Company's consolidated financial report for Q1 2024.	V	None	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Approved unanimously by directors present at the meeting	None

Date	Name	Summary of motion	Matters listed in Article 14-5 of the Securities and Exchange Act	Independent directors' objections, reserved opinions, or major recommendations	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions	Resolutions not approved by the Audit Committee but approved by two-thirds of all directors
2024.08.09	8th meeting of the 2nd Audit Committee	<ol style="list-style-type: none"> 1. Approved the motion for the Company's consolidated financial report for Q2 2024. 2. Approved the establishment of the Company's "Sustainable Development Committee Charter." 3. Approved the establishment of the Company's "Procedures for Risk Management Policy and Organization." 4. Approved the formulation of the Company's "Rules for the Preparation and Filing of Sustainability Reports." 5. Approved the motion for subsidiary's future investment plan to purchase land. 	V V V V V	None	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Approved unanimously by directors present at the meeting	None
2024.09.19	9th meeting of the 2nd Audit Committee	<ol style="list-style-type: none"> 1. Approved the Company's plan to lease the "Golden Dragon Bay Area Commercial Space and Nearby Space" from the Port of Kaohsiung, Taiwan International Ports Corporation. 2. Approved the effective use of the Company's capital and future business planning, and intended to invest securities in the Company's related industries. 3. Approved the effective use of the subsidiary's capital and future business planning, and intended to invest in securities in the relevant industries of the subsidiary. 	V V V	None	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Approved unanimously by directors present at the meeting	None
2024.11.12	10th meeting of the 2nd Audit Committee	<ol style="list-style-type: none"> 1. Approved the motion for the Company's consolidated financial report for Q3 2024. 2. Approved the motion for the Company's 2025 annual audit plan. 3. Approved the motion to increase the capital of the subsidiary Shang Ting Construction Co., Ltd. from cash . 4. Approved the establishment of the internal control system in the Company's "Measures for Sustainability Information Management." 5. Approved the motion to amend the "Accounting Professional Judgment Process, Accounting Policies and Management of Changes in Estimates." 6. Passed amendments to "Management for Applying IAS." 7. Approved the motion for amendment to "Supervision and Management of Subsidiaries." 	V V V V V V V	None	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Approved unanimously by directors present at the meeting	None

(III) Status of corporate governance operation and difference of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	√		No difference
II. The Company's shareholding structure and shareholders' rights and interests	√		No difference
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, and implemented them in accordance with the procedures?	√		No difference
(II) Does the Company possess the list of major shareholders who actually control the Company and the ultimate controllers of such shareholders?	√		No difference
(III) Has the Company established and operated risk control and firewall mechanisms with its affiliates?	√		No difference

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes
	Yes	No	
(IV) Has the Company established internal rules to prohibit insiders from trading securities using undisclosed information in the market?	√	(IV) We have established the “Code of Ethical Conduct” and the “Internal Material Information Handling and Prevention of Insider Trading Management Procedures,” clearly stipulating that directors, supervisors and managers abide by the fair trading principle and avoid opportunities for personal gain. The relevant rules have been announced on the official website.	No difference
III. Composition and duties of the board of directors (I) Has the Board of Directors formulated and implemented diversity policies and specific management goals?	√	(I) Article 20 of the “Corporate Governance Best-Practice Principles” of the Company specifies that the composition of the Board of Directors shall take diversity into consideration, and the Board shall adopt an appropriate policy for diversification in terms of its own operations, business model, and development needs. The Company’s current directors consist of six directors, including three directors and three independent directors. The members have extensive experience in the industry. In addition, we also place great emphasis on the gender equality of the composition of the Board of Directors and aim to elect at least one female director at the present stage. In the future, we will continue to increase the female directors to 25% or more. The Board of Directors of the Company shall adjust the composition of the Board of Directors based on the results of the performance evaluation; please refer to Note 1 for details.	No difference
(II) In addition to the Remuneration Committee and the Audit Committee, has the Company established other functional committees voluntarily?	√	(II) In addition to the Remuneration Committee and Audit Committee established in accordance with the law, the Company’s Board of Directors approved the establishment of the “Sustainable Development Committee Charter” on August 9, 2024, and established the Sustainability Committee on September 19, 2024. The Committee consists of four members: independent directors Huang Lung-Sheng and Wang Chien-Chih as well as director Chiang Yu-Lien, with independent director Huang Hao-Chen serving as the convener.	No difference

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes
	Yes	No	
(III) Has the Company established rules for performance evaluation of Board of Directors, conducted annual performance evaluations regularly, reported the results of the evaluations to the Board of Directors, and used them as a reference for individual directors' remuneration and nomination?	√		No difference
(IV) Does the Company regularly evaluate the independence of the CPAs?	√		No difference
IV. Has the listed company appointed competent and an appropriate number of corporate governance personnel, and appointed a corporate governance officer responsible for related affairs (including but not limited to providing directors and	√		No difference

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes
	Yes	No	
supervisors with the information needed to perform their duties, assisting directors and supervisors in complying with laws, handling matters related to the Board of Directors and shareholders' meetings in accordance with the regulations, and preparing minutes of the Board of Directors and shareholders' meetings)?		<p>years of experience in the relevant financial affairs, stock affairs and director meetings of public companies, and other management matters. In addition, the Company has allocated one full-time employee in charge of stock affairs and one to two part-time employees to assist in the relevant affairs. The Company's corporate governance officer also coordinates and executes corporate governance-related affairs.</p> <p>(II) Corporate governance-related activities include: the handling of matters related to Board meetings and shareholders' meetings in accordance with the law, preparation of minutes of Board meetings and shareholders' meetings, assistance for directors in assuming office and further education. Apart from this, the related affairs cover the provision of information necessary for the execution of director duties, assistance for directors in complying with laws and regulations, protection of shareholders' rights and interests, as well as strengthening of the functions of the Board of Directors. and disclosing information on corporate governance, stakeholders, and corporate social responsibility on the company website.</p> <p>(III) For the annual implementation highlights of corporate governance-related matters and the status of further training of the corporate governance officer, please refer to Note 3. The information is also disclosed on the Company's website (https://triocean.com.tw/投資人專區/公司治理).</p>	No difference
V. Has the Company established channels for communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the Company's website, and appropriately responded to important corporate social responsibility issues concern of stakeholders?	√	<p>At Triocean, we have established a spokesperson and an acting spokesperson system, and the contact numbers of the spokespersons have been disclosed on the MOPS. The Company has also set up a website (https://triocean.com.tw/), with an investor section, corporate governance section and stakeholders section in place as the reference for shareholders and stakeholders. A stakeholder contact platform has been set up as a communication channel for handling stakeholders' suggestions, concerns, and disputes to ensure their rights and interests. For stakeholder identity, issues of concern, communication channels and response methods, please refer to Note 4.</p>	No difference

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes
	Yes	No	
VI. Has the Company appointed a professional agent for stock affairs to handle shareholders' meeting matters?	√		No difference
VII. Information disclosure (I) Has the Company set up a website to disclose financial, business and corporate governance information?	√		No difference
(II) Has the Company adopted other means of information disclosure (e.g. setting up an English website, appointing personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the process of investors conferences on the Company's website)?	√		No difference
(III) Has the Company announced and reported the annual financial reports within two months after the end of the fiscal year, as well as the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?		√	No difference

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes
	Yes	No	
VIII. Does the Company possess other important information that is helpful to understand the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' further education, risk management policies and risk assessment standards, customer policies, and purchase of liability insurance for directors and supervisors)?	√	<p>(I) Employee rights and care for employees: At Triocean, we have established an Employee Welfare Committee, which regularly holds labor-management meetings to ensure full communication and coordination between the Company and employees to maintain harmonious labor-management relations. In addition, the Company also provides clear communication channels with employees to care for their needs. Moreover, employees are encouraged to self-learn and enhance work skills. We have always complied with government regulations to protect the rights and interests of employees and maintain harmonious labor-management relations.</p> <p>(II) Investor relations: We announce our financial reports and various information related to finance and business on the Market Observation Post System (MOPS) and our website in accordance with the law. A spokesperson system has also been established to ensure that investors can instantly understand the Company's operations.</p> <p>(III) Supplier relations: We maintain a long-term and good friendship with suppliers and vendors. We share good business coordination and smooth communication channels, and attach great importance to the maintenance of good relations.</p> <p>(IV) Stakeholders' rights: A special section of stakeholders' communication channels has been set up on our website. We provide sufficient information in a timely manner to protect stakeholders. Further education of directors and supervisors: We actively assist directors and supervisors in taking courses to enhance their professional knowledge and strengthen the functions of the Board. The further education of directors in 2024 has been reported and announced on the MOPS. For information regarding further education status, please see Note 5.</p>	No difference

Evaluation item	Status of operation (Note)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes
	Yes	No	
			No difference
		<p>(VI) Implementation of risk management policies and risk assessment standards: Please refer to "Five. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks" in the annual report.</p> <p>(VII) Liability insurance for directors and supervisors: The Company took out liability insurance for directors and managers on March 1, 2025. The important details of the amount of the insurance policy, the scope of coverage, and the premium rate of the insurance policy were reported at the Board meeting on March 11, 2025.</p>	No difference
IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year: The Company has reviewed and improved the items that failed to score on the Corporate Governance Evaluation and the newly published indicators.			

Note 1: The specific management objectives of the Company's board diversity policy and the progress are as follows:

Management objectives	Status of achievement
The number of independent directors exceeds one-third of the total number of directors.	Achieved
It is advisable that the number of directors who also serve as the Company's managers shall not exceed one-third of the total number of directors	Achieved
Directors of different genders	Achieved
Adequate and diversified professional knowledge and skills	Achieved

Note 2: CPA independence and competency assessment criteria and results:

I. Assessment content:

Item	Yes	No
1. An employee of the Company or any of its affiliates.		√
2. A director or supervisor of the Company or any of its affiliates (this restriction does not apply to independent directors of the Company, its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting rights).		√
3. A natural person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.		√
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an officers under the preceding three subparagraphs.		√
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings.		√
6. A director, supervisor, manager, or shareholder holding more than 5% of the shares of a specific company or institution that has a financial or business relationship with the Company.		√
7. Having major financial interests or improper relationship with the Company		√
8. Subject to any of the conditions specified in Article 30 of the Company Act.		√
9. Elected as a government, legal person or its representative in accordance with Article 27 of the Company Act		√
10. Joint investment in non-public companies or sharing of profits with the Company or affiliates.		√

II. Work performance and results:

Item	Yes	No
1. Complete the Company's financial certification for all periods as scheduled.	√	
2. Complete the transferring the Company's financial audits for each period as scheduled.	√	
3. Provide financial and tax consulting services for the Company on an unscheduled basis.	√	

III. Assessment results:

<p>After assessment, the commissioned CPAs did not have any of the circumstances described in the above independence assessment items. The CPAs met the standard of appropriateness, which confirmed that the financial statements issued by the CPAs are reliable.</p>

Item	Audit Quality Indicators (AQI) of the accounting firm	Assessment results
Aspect 1: Professionalism		
1-1	Whether the CPA's audit experience is sufficient?	Yes
1-2	Training hours	
1-2-1	Whether the CPA's hours of training is sufficient	Yes
1-2-2	Whether the hours of training of the CPA at manager-level is	Yes
1-3	Turnover rate	
1-3-1	Whether the turnover rate of the CPA at manager-level is	Yes
1-4	Professional support	
1-4-1	Whether the ratio of professionals supporting the Audit	Yes
1-4-2	Whether the hours the CPA spent on TWSE and TPEX listed	Yes
Aspect 2: Quality control		
2-1	CPA load	
2-1-1	Whether the number of publicly traded companies the CPA	Yes
2-1-2	Whether the percentage of the work hours invested by the	Yes
2-2	Whether the CPA's involvement is reasonable	Yes
2-3	Case Quality Control Review (EQCR)	
2-3-1	Whether the percentage of hours of review by the CPAs of	Yes
2-4	Quality support ability	
2-4-1	Whether the number of quality control personnel is	Yes
2-4-2	Whether the ratio of quality control personnel supporting the	Yes
Aspect 3: Independence		
3-1	Whether the ratio of non-audit service fees is reasonable	Yes
3-2	Customer familiarity	Yes
Aspect 4: Supervision		
4-1	Whether there are defects in the quality control inspected by	Yes
4-2	Whether there are defects in the quality control inspected by	Yes
4-3	Whether there are penalties imposed on the CPA	Yes
4-4	Whether there is a letter for improvement from the	Yes
Aspect 4: Innovation ability		
5-1	Initiatives or programs adopted or planned related to improving audit quality by the CPA firm in the past three years	Yes

Opinions of assessment and review	
The review was passed. Recommendation: new appointment of CPAs/original CPAs maintained	

Note 3: Establishment of corporate governance supervisor, duties, business promotion and further education

I. Establishment of the corporate governance supervisor and the scope of authority:

On March 23, 2023, the Company's Board of Directors appointed Hsu Cheng-Che, the General Manager, as the corporate governance supervisor. The corporate governance supervisor was established in accordance with the law and development needs. The corporate governance supervisor has more than three years of experience in finance, stock affairs and meeting procedures.

II. Business promotion by the corporate governance supervisor in 2024:

1. Providing information regarding further education courses for directors from time to time, reminding directors to complete the courses and report the further education according to the provisions of the "Directions for the Implementation of Further Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
2. Evaluating and purchasing the "Directors' Liability Insurance" for directors, and reporting the coverage to the Board.
3. Communication meetings are convened from time to time for CPAs, independent directors, auditing supervisor and financial and accounting supervisors to implement the internal audit and control system. Please refer to the Company's website for the meeting minutes.
4. Handling of matters related to the meetings of the Board of Directors and committees according to laws and regulations: All directors and committee members are notified to attend the meeting seven days prior to the meeting, and sufficient information is provided so that the directors are able to understand the relevant contents of the motions. If any director or a representative is an interested party with respect to meeting items, a reminder will be given in advance. The minutes of each Board meeting will be sent to each director within 20 days after the meeting.
5. Responsible for announcing material information or announcements of important resolutions on the day after the Board meetings and shareholders meetings, to ensure the legitimacy and accuracy of the information disclosed, and to ensure the reciprocity of information for investors.
6. The Company regularly evaluates the performance of the Board every year in accordance with the "Rules for Performance Evaluation of the Board of Directors."
7. Providing Directors with information on new laws and regulations related to business execution, corporate governance or business operations from time to time.
8. Handling matters related to Annual General Meetings according to laws and regulations: Registering the date of the meetings according to the laws and regulations each year, and preparing and reporting the meeting notice, agenda handbook and meeting minutes before the deadline.
9. Reviewing the achievement of corporate governance evaluation indicators one by one on a yearly basis, and proposing improvement plans and countermeasures for indicators failed to score.
10. Providing operational information related to the Company's business or finance as required by the directors, and maintaining clear communication and exchanges between the directors and various supervisors.

III. Further education of the corporate governance officer in 2024:

Organizer	Course name	Date of further education	Number of hours of further education	Total number of hours of further education in the current year
Securities and Futures Institute	Sustainability Practice	2024/05/16-2024/05/17	9	12
Securities and Futures Institute	2024 Insider Trading Prevention Seminar (online)	2024/10/04	3	

Note 4: Stakeholder status, issues of concern, communication channels, and response measures in 2024

Stakeholder	Priority issues of concern	Communication channel/frequency	Communication effectiveness	Contact person
Employees	<ol style="list-style-type: none"> Human Resource Management Employee health Workplace safety 	<ol style="list-style-type: none"> Occupational Safety and Health Committee/quarterly Labor-management meeting/quarterly Employee Welfare Committee/quarterly Suggestion and grievance mailbox/on an unscheduled basis 	<p>The Company holds labor-management meetings on a regular basis each year. Employees can also obtain relevant information from the internal sharing platform and the Company's website.</p>	<p>Ms. Chen of the Administration Department hr@triocean.com.tw</p>
Customer	<ol style="list-style-type: none"> Customer service Risk management Ethical corporate management 	<ol style="list-style-type: none"> Visit customers/on an unscheduled basis Email/on an unscheduled basis Project meetings/on an unscheduled basis 	<p>Regular internal meetings and audits, and assign dedicated personnel to be responsible for contacting customers from time to time</p>	<p>Ms. He of Planning and Research Department janethe@triocean.com.tw</p>
Supplier	<ol style="list-style-type: none"> Compliance Risk management Ethical corporate management 	<ol style="list-style-type: none"> Supplier evaluation/on an unscheduled basis Supplier audit/on an unscheduled basis Environmental safety risk assessment/on an unscheduled basis 	<p>The website discloses public information and assigns dedicated personnel to be responsible for contacting suppliers from time to time</p>	<p>Ms. Yen of the Procurement Department st54611350@triocean.com.tw</p>
Investors	<ol style="list-style-type: none"> Corporate governance Ethical management 	<ol style="list-style-type: none"> Convening of AGM/annually Convening of Board meetings/quarterly Investor conferences/annually Annual report of the Company/annually 	<p>The Company holds an AGM and investor conference every year, and discloses the financial reports and annual reports on the website.</p>	<p>Ms. Chen of Finance and Accounting Department spokesman@triocean.com.tw</p>

Stakeholder	Priority issues of concern	Communication channel/frequency	Communication effectiveness	Contact person
Government and competent authorities	<ol style="list-style-type: none"> 1. Corporate governance 2. Compliance 	<ol style="list-style-type: none"> 1. Participate in organizational meetings/on an unscheduled basis 2. Inspection by the competent authority/on an unscheduled basis 3. Update the government-related website/annually 4. Accept the government agency evaluation/annually 	<p>The Company participates in policy seminars, presentations, and public hearings related to its industry each year, and maintains communication with the competent authorities through official documents, meetings, telephone calls, and emails on an unscheduled basis.</p>	<p>Ms. Chen of Finance and Accounting Department spokesman@triocean.com.tw</p>
Financial institution	<ol style="list-style-type: none"> 1. Operating performance 2. Risk management and control 	<ol style="list-style-type: none"> 1. Telephone, email/at any time 2. Video conferencing/on an unscheduled basis 3. Business visits/ at least once a year 	<p>The Company keeps abreast of its business performance and project progress, and maintains good mutual trust with the banks, to exchange and analyze the industry trends and financial tax information.</p>	<p>Ms. Huang of Finance and Accounting Department arielhuang@triocean.com.tw</p>

Note 5: Further education of the Company's directors and independent directors in 2024:

Job title	Name	Organizer	Course name	Date of further education	Number of hours of further education	Total number of hours of further education in the current year
Chairman	Chiang Yu-Lien	Securities and Futures Institute Taipei Foundation of Finance	Sustainability Practice Seminar	2024/05/17	3	6
			The Role and Accountability of Controlling Shareholders in the Context of Corporate Governance	2024/11/08	3	
Director	Su Cheng-Hui	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	2024/03/08	3	6
			Perspectives on Hidden Key Messages in Financial Statements	2024/03/08	3	
Director	Hung Kuo-Chin	Taiwan Stock Exchange	2024 Cathay Pacific Perpetual Banking and Climate Change Summit	2024/07/03	6	6
Independent Director	Huang Hao-Chen	Taipei Foundation of Finance Taipei Foundation of Finance	Prevention of Money Laundering Risk – Types of Money Laundering in Eight Countries	2024/09/09	3	6
			The Role and Accountability of Controlling Shareholders in the Context of Corporate Governance	2024/11/08	3	
Independent Director	Huang Lung-Sheng	Taipei Foundation of Finance Taipei Foundation of Finance	Prevention of Money Laundering Risk - Types of Money Laundering in Eight Countries	2024/09/09	3	6
			The Role and Accountability of Controlling Shareholders in the Context of Corporate Governance	2024/11/08	3	
Independent Director	Wang Chien-Chih	Taipei Foundation of Finance Securities and Futures Institute	Prevention of Money Laundering Risk - Types of Money Laundering in Eight Countries	2024/09/09	3	6
			2024 Insider Trading Prevention Conference	2024/10/04	3	

(IV) Composition, responsibilities and operation of other functional committees

1. Composition, responsibilities and operation of the Remuneration Committee:

As a means to strengthen the Company's governance and improve the remuneration system for directors and managers, the Company has established a Remuneration Committee and formulated the "Remuneration Committee charter" in accordance with the "Article 14-6 of the Securities and Exchange Act" and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange."

The function of our Remuneration Committee is to evaluate the remuneration policies and systems of directors and managers in a professional and objective manner. The Committee shall convene at least twice a year, and may convene at any time if needed. The Committee proposes suggestions to the Board as reference in decision-making.

A. The responsibilities of the Remuneration Committee

- a. Regularly reviewing the Company's Remuneration Committee Charter and proposing amendments.
- b. Establishing and regularly reviewing the annual and long-term performance objectives and the policies, systems, standards and structures of the remuneration to directors and managers.
- c. Regularly evaluating directors and managers' achievement of performance objectives, and establishing the content and amount of their individual remunerations.

B. The Remuneration Committee shall perform its duties in accordance with the following standards

- a. Ensuring that the Company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
- b. The performance evaluation and remuneration to directors and managers shall be based on the industry norm. Moreover, the time invested, responsibilities undertaken, achievement of personal goals, performance in other positions, and the remuneration given to equivalent positions offered by the Company in recent years should be considered. The Company also evaluates the reasonableness of the connection between individual performance and the operating performance, and future risks based on the achievement of the Company's short-term and long-term business goals and the Company's financial status.
- c. The Company shall not induce directors and managers to engage in behaviors that exceed the Company's risk appetite for the sake of compensation.
- d. The ratio of bonuses for short-term performance of directors and senior managers, and the timing of the payment of some of their variable remuneration shall be determined in consideration of industry characteristics and the nature of the Company's business.
- e. The Committee's members may not discuss or vote on their own remuneration.

(1) Information of Remuneration Committee members:

March 31, 2025

Name		Condition	Professional qualifications and experiences	Status of independence	Number of other public companies serving as Remuneration Committee member concurrently
Independent Director (Convener)	Huang Hao-Chen		Note 1	Note 1	0
Independent Director	Huang Lung-Sheng		Note 1	Note 1	0
Independent Director	Wang Chien-Chih		Note 1	Note 1	0
Independent Director	Hung Yu-Ting		Note 1 and Note 2	Note 1	2

Note: Please refer to “(I) I. Information on Directors – 3. Disclosure of Directors’ Professional Knowledge and Independence Information” above

Note 2: Independent Director, Ms. Yu-Ting Hong, resigned on July 17, 2023 due to personal reasons.

(2) Status of operation of the Remuneration Committee:

1. The Company’s Remuneration Committee consists of three members.
2. The term of office of the current members: Our Board of Directors appointed the members of the sixth term on June 19, 2023, with a tenure from June 19, 2023 to June 18, 2026. In 2024, the Remuneration Committee convened four times (A). Qualifications and attendance of the members are as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B /A)	Notes
Convener of the 6th Board of Directors	Huang Hao-Chen	4	0	100%	Newly elected on June 19, 2023
Members of the 6th Board of Directors	Huang Lung-Sheng	4	0	100%	Newly elected on June 19, 2023
Members of the 6th Board of Directors	Wang Chien-Chih	3	0	100%	Newly elected on June 19, 2023
Members of the 6th Board of Directors	Hung Yu-Ting	-	-	-	Resigned on July 17, 2023

Note: The actual attendance rate (%) is calculated based on the number of Audit Committee meetings being held and the actual attendance during his/her tenure.

Other information to be disclosed:

1. If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, the date and session of the Board meeting, the contents of the motions, the resolution results, and the Company’s handling of the Remuneration Committee’s opinions shall be disclosed (If the Board approves the suggestions regarding remuneration being higher than the Remuneration Committee, the reasons for the differences shall be stated): None.
- II. If a member has an objection or reserved opinion on a resolution of the Remuneration Committee, and it is recorded or stated in a written statement, the date and session of the Remuneration Committee, contents of the motion, opinions of all members, and the handling of such opinions shall be stated: None.

(3) Information on Remuneration Committee meetings:

The information on the Remuneration Committee’s meetings, reviews and evaluations of remuneration in the most recent year is as follows:

Date	Name of meeting	Motion Content	Resolution results of the Remuneration Committee	Handling of opinions
March 12, 2024	4th meeting of the 6th Remuneration Committee	<ol style="list-style-type: none"> 1. Approved the motion for distribution of remuneration to employees and directors for 2023. 2. Approved the motion for 2024 construction performance bonus for managers of the Company and subsidiaries. 3. Approved the motion for salary adjustment of the managers of the Company and its subsidiaries. 	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Not applicable.
2024.05.10	5th meeting of the 6th Remuneration Committee	<ol style="list-style-type: none"> 1. Approved the motion for allocation of employee stock options for managers of the Company and subsidiaries for the first cash issue of common stock in 2024. 	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Not applicable.
2024.08.09	6th meeting of the 6th Remuneration Committee	<ol style="list-style-type: none"> 1. Approved the distribution of 2023 remuneration to directors and the details and dates of distribution. 2. Approved the motion for 2024 mid-year construction performance bonus for managers of the Company and subsidiaries . 3. Approved the motion for ratification of the promotion of Chen Kuang-Hui, manager of the Construction Department 2 of the subsidiary. 	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Not applicable.
2024.11.12	7th meeting of the 6th Remuneration Committee	<ol style="list-style-type: none"> 1. Approved the motion for distribution of year-end bonuses to managers . 2. Approved the motion for distributing year-end bonuses to the managers of subsidiaries . 	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Not applicable.

2. Composition, responsibilities and operation of the Sustainable Development Committee:

To fulfill corporate social responsibility, align with international trends, and actively respond to stakeholder risks across various environmental, social, and corporate governance aspects, risks are assessed and countermeasures are implemented. In addition, we formulated the “Sustainable Development Charter” on August 9, 2024, and the Board of Directors approved the establishment of the Sustainable Development Committee on September 19, 2024.

- A. The Committee shall exercise the due care of a manager to perform the following duties under the authorization of the Board of Directors, and report to the Board of Directors:
- (a) Formulate, promote and strengthen the Company’s sustainable development policy, annual plan and strategy, etc.
 - (b) Review, track and revise the implementation of sustainable development and results.
 - (c) Supervise the disclosure of sustainability information and review the sustainable report.
 - (d) Oversee the Company’s business or other matters related to the implementation of the Board’s resolution of the Sustainable Development Best-Practice Principles.
 - (e) The Sustainability Officer or a person with the equivalent position may establish a full-time (or part-time) unit to assist the committee in the implementation of various plans based on the needs of the sustainable development of each department.
- B. A sustainable development promotion team and a risk management team have been set up under the Sustainable Development Committee. The teams manage operational risk, financial risk, and environmental risk to ensure the promotion and implementation of work related to corporate sustainability.
- (a) Scope of operation: Including the impact of corporate governance, reputation, human resources, decision-making, information security, and legal risks on the Company’s sustainable operation.
 - (b) Scope of finance: Including financing, investment, credit, financial statement quality expression, and financial decision-making risks.
 - (c) Scope of operation: Including material quality management, construction site quality, construction environment, and occupational safety and health management risks.
 - (d) Scope of environmental: Including climate change, environmental pollution liability, natural disasters, and major external hazard risks.

(1) Information of Sustainable Development Committee members:

March 31, 2025

Name of committee member	Independent director (Y/N)	Main expertise (Note)
Huang Hao-Chen (Convener)	Y	Accounting, finance, management, marketing
Huang Lung-Sheng	Y	Industry, management, marketing
Wang Chien-Chih	Y	Industry, management, marketing
Chiang Yu-Lien	N	Industry, management, finance, marketing

Note: Please refer to “(I) I. Information on Directors – 3. Disclosure of Directors’ Professional Knowledge and Independence Information” above

(2) Status of operation of the Sustainable Development Committee:

1. The Company's Sustainable Development Committee consists of four members.
2. The Sustainable Development Committee held two meetings (A) in 2024. The attendance of members is as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B /A)	Notes
1st term convener	Huang Hao-Chen	2	2	100%	
1st term of member	Huang Lung-Sheng	2	2	100%	
1st term of member	Wang Chien-Chih	2	2	100%	
1st term of member	Chiang Yu-Lien	2	2	100%	

Note: The actual attendance rate (%) is calculated based on the number of Audit Committee meetings being held and the actual attendance during his/her tenure.

Other information to be disclosed:

- I. If the Board of Directors does not adopt or amend the suggestions of the Sustainable Development Committee, the date and session of the Board meeting, the contents of the motions, the resolution results, and the company's handling of the Sustainable Development Committee's opinions shall be disclosed: None.
- II. If a member has an objection or reserved opinion on a resolution of the Sustainable Development Committee, and it is recorded or stated in a written statement, the date and session of the Sustainable Development Committee, the contents of the motion, the opinions of all members, and the handling of such opinions shall be stated: None.

(3) Information of Sustainable Development Committee meetings:

The information on the Sustainable Development Committee's meetings, reviews and evaluations of remuneration in the most recent year is as follows:

Date	Name of meeting	Motion Content	Resolution of the Sustainable Development Committee	Handling of opinions
2024.09.19	1st meeting of the 1st Sustainable Development Committee	1. Election of the chair of the Sustainable Development Committee. 2. Formulation of the 2024 Sustainable Development Committee's work plan and risk execution plan.	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Not applicable.
2024.11.12	2nd meeting of the 1st Sustainable Development Committee	1. Motion for implementation of the Company's GHG inventory and verification information disclosure schedule.	There were no objections from the attending members upon inquiry by the chairman, and the competent authority submitted the matter to the Board of Directors for discussion.	Not applicable.

(V) The implementation of sustainable development and the deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes	
	Yes	No		Summary
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the Board of Directors to handle, and with the supervision of the Board?	√		<p>(I) The Company formulated the “Sustainable Development Charter” on August 9, 2024 and the Board of Directors approved the establishment of the Sustainable Development Committee on September 19, 2024. Independent Director Huang Hao-Chen serves as the convener, with Independent Directors Huang Lung-Sheng and Wang Chien-Chih, and Chairman Chiang Yu-Lien serving as the committee members. The Sustainable Development Committee is responsible for promoting the implementation of the sustainable development framework, consolidating the corporate sustainability-related strategies, proposing and implementing systems or management policies, and reporting to the Board of Directors.</p> <p>(II) A sustainable development promotion team and a risk management team have been set up under the Sustainable Development Committee. The teams manage operational risk, financial risk, operational risk and environmental risk to ensure the promotion and implementation of work related to corporate sustainability.</p> <p>(III) The Sustainable Development Committee held two meetings in 2024 (September 19, 2024 and November 12, 2024) and reported to the Board of Directors on the status of implementation on September 19, 2024 and November 12, 2024 respectively.</p> <p>(IV) After the Board receives a report from the Sustainable Development Committee on the status of implementation, the Board of Directors supervises each action plan, goal or policy. Moreover, the Board of Directors proposes amendments and improvement plans for issues requiring attention and requests that the management team report on the progress of implementation or adjustments.</p>	No difference
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to operations in accordance with the	√		<p>(I) The Company conducted material issue analysis for various corporate sustainability and risk-related issues in accordance with the GRI Sustainability Reporting Guidelines. The Company conducted a survey to understand the level of stakeholders' concern on each issue. The head of each unit assessed the degree of impact of environmental, social, and corporate governance issues on the Company, followed by analyzing and ranking each issue's degree of concern and impact. After discussion</p>	No difference

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
principle of materiality, and establish relevant risk management policies or strategies? (Note 2)		<p>with management, the material issues were identified and then used as a reference for the Company's management policy and financial quantitative impact assessment to determine the decision-making process for material issues</p> <p>(II) To ensure its steady growth, the Company faces the risks and opportunities that may occur during the operating process in a proactive manner. Given this, a risk management team was established in 2024 and the Board of Directors approved the formation of the "Risk Management Policy and Organizational Process" on August 9, 2024. The risk team conducts risk factor identification with each business unit to identify the relevant risks affecting the Company's sustainable development, and screens out the scope of risk management. Together, the risk team and the business unit formulate risk management strategies for each risk, covering management objectives, organizational structure, authority attribution and responsibility, as well as risk management procedures. By doing this, we ensure that the consistency of the operations strategy direction and the risk management policy, and that the risk management policy is effectively being implemented.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company established an appropriate environmental management system based on the industry characteristics ?</p>	√	<p>The Company attained the ISO 45001 international occupational health and safety management system certification and the Taiwan Occupational Safety and Health Management System (TOSHMS) certification in 2023. In doing this, we maintain a safe and healthy working environment for all personnel, which has always been our objective. We also properly manage and control potential environmental risks at all stages, while providing construction solutions that minimize pollution and environmental impact for project owners. At Triocean, we have established environmental protection plans and implemented self-inspections based on the characteristics of the local environment. Moreover, we implement pollution prevention and control measures in accordance with government regulatory requirements, as well as the requirements set by the project owners.</p> <p>We require that all employees' behaviors at work comply with environmental policies, and encourage suppliers, outsourcing companies, and contractors to cooperate in the implementation of the Company's environmental policies.</p>	No difference

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
		<p>During the production process, special attention shall be paid to the selection of non-polluting technologies, the minimization of wastage, and the reuse and recycling of recyclable resources to reduce energy consumption.</p> <p>We encourage employees to participate in environmental protection activities, promote environmental protection awareness. We also participate in local community activities from time to time to make positive environmental contributions to local communities.</p>	
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	√	<p>The Company values environmental protection and energy conservation, actively improves the efficiency of the use of various resources, and promotes energy conservation and carbon reduction. In addition to the use of recycled materials, e.g. fly ash and concrete with slag, the Company also continuously reduces raw material consumption through methods like pre-cast construction and aluminum formwork rather than conventional wooden molds. We have set the goals of local procurement and green procurement, so as to effectively reduce carbon emissions from the manufacture and transportation of materials.</p> <p>In daily affairs, the Company promotes energy conservation, fosters digitalization for official documents, while making full use of recycled paper, and replacing power-consuming light fixtures, to enhance the efficiency of energy resource use.</p> <p>We have installed environmental protection and energy-saving equipment such as a solar panel system to save energy.</p>	No difference
(III) Has the Company evaluated the potential risks and opportunities posed by climate change at present and in the future, and taken relevant countermeasures?	√	<p>The Company's risk management team manages operational risks, financial risks, and environmental risks, and assesses and handles the Company's overall risks and opportunities. In response to the impact of global climate change on operations, the Company's "Greenhouse Gas Management Measures" were established in 2024. The risk management team manages operational risks, financial risks, and environmental risks, and regularly assesses potential risks and opportunities of climate change on the Company. The risk management team also reports to the Sustainable Development Committee on a regular basis to reduce the impact of climate change on the Company.</p>	No difference

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
(IV) Has the Company kept statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	√	<p>In 2023, the Company began to collect statistics of GHG emissions, water consumption and total weight of waste. In 2024, the Company completed the GHG inventory of the headquarters and the construction sites nationwide in accordance with ISO 14064-1, and conducted third-party verification.</p> <p>In terms of water asset management, as the manufacturing process does not use water, the wastewater generated is domestic wastewater and not industrial wastewater. Therefore, the water resource management focuses on the concept of water conservation and improving water-saving equipment to improve the efficiency of water asset use.</p> <p>In terms of waste management, the Company actively implements resource recycling classification, which significantly reduces waste generation and increases resource recycling</p> <p>Data on GHG emissions, water consumption and the total weight of waste per year is disclosed in the Company's sustainability report and website.</p>	No difference
IV. Social issues (I) Has the Company established relevant management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	√	<p>The Company recognizes and supports the “Universal Declaration of Human Rights,” “Global Compact” and “Guiding Principles on Business and Human Rights” of the United Nations, and the “Declaration on Fundamental Principles and Rights at Work” of the International Labour Organization. We respect internationally recognized human rights standards to ensure that basic human rights are not violated, and treat all colleagues, contract and temporary personnel with dignity and respect. The human rights policy has also been formulated and disclosed on the Company's website.</p> <p>The Company's personnel management regulations have been formulated in accordance with relevant labor laws and regulations, human rights conventions, and occupational safety and health regulations. The “Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” has also been formulated to protect the rights and interests of employees and to protect their health and safety.</p>	No difference
(II) Has the Company formulated and implemented reasonable employee welfare measures	√	<p>The Company fulfills its corporate social responsibility and has a “Human Rights Policy” to protect the basic human rights of all employees. We abide by the United Nations Global Compact and the Universal Declaration of Human Rights on human rights, labor standards, and anti-corruption. We also comply with Taiwan's labor laws and regulations</p>	No difference

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
(including remuneration, leave and other benefits, etc.), and appropriately reflected the operating performance or results in the employee remuneration?		<p>to eliminate human rights violations, and to ensure that our daily operations comply with corporate ethics.</p> <p>Welfare measures are diversified. An Employee Welfare Committee has been established to handle employee welfare activities. Detailed welfare plans and budgets are created each year, including yearly festival gifts, wedding and funeral subsidies, birthday gift vouchers, etc. The Company also purchases group insurance for employees, and education and training are held on a regular basis to enhance workplace skills. Please refer to Note 3 below for details.</p>	
(III) Does the Company provide employees with a safe and healthy work environment, and conduct safety and health education on a regular basis?	√	<p>The Company has created a win-win safe working environment for employees and employees. Please refer to Note 4 below for the protection measures for details regarding the working environment and personal safety of employees.</p> <ol style="list-style-type: none"> 1. Maintenance of working environment: Regular inspection of fire safety facilities and improvement of safety and health equipment. 2. Employee health maintenance: In addition to regular health checkups in cooperation with the government, we have also deployed first-aid personnel, emergency medicine and AEDs, and applied for AED certification pursuant to the Occupational Safety and Health Act. 3. Training and drills: To ensure the safety of employees, the Company has formulated various "Emergency Response Plans" for fire, typhoon, earthquake, evacuation, etc. We also conduct regular drills and countermeasures for possible disasters, so that in the event of an accident we are able to manage with organized and rapid disposal to minimize injury and loss. 4. In addition, the training for new employees includes "safety and health education". A total of 101 employees were trained in 2024, and the in-service employees are also arranged from time to time. <p>In 2024, the Company was awarded the "Happy Enterprise" prize in the "Little Labor Hsiung Welfare Enterprise Warm Heart City" organized by the Kaohsiung Bureau of Labor Affairs. The evaluation criteria for the Happy Enterprise are based on four major criteria: "wages and benefits," "working hours and holidays," "friendly workplace and gender equality" and "corporate social responsibility."</p>	No difference

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
(IV) Does the Company establish an effective career development training program for employees?	√	<p>The Company has established the “Procedures for Employee Education and Training Management,” and implement internal and external training according to the annual education and training plan. Employees are encouraged to pursue further education. We emphasize the development of their functions and potentials, create a good environment for career development, and establish an effective development training program to strengthen the overall competitiveness of the enterprise.</p>	No difference
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect customers or clients’ rights and interests?	√	<p>We have a mailbox for customers for handling customer complaints and disputes, with an after-sales service mechanism in place. Customer data is managed as confidential information in accordance with the Personal Data Protection Act, and is not available to non-related personnel. In addition, a mailbox for stakeholders has been created on the Company’s website to serve as a channel for consumers.</p>	No difference
(VI) Has the Company established a supplier management policy, requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights? And the implementation status thereof?	√	<p>1. We have established the “Procedures for Supplier Management.” The “General Principles” in the contract with suppliers specify that the supplier shall comply with the Construction Safety and Health Standard issued by the government, as well as the Rules for Occupational Safety and Health Facilities, the Occupational Safety and Health Act, and its enforcement rules, the Water Pollution Control Act, Air Pollution Control Act, Noise Control Act, Waste Disposal Act, Management Guidelines for the Spoil Disposal Plan, etc. During the construction period, the supplier shall be responsible for the safety and health of the construction site and environmental protection at all times. 2. We sign relevant declarations with suppliers, requesting them to comply with the following construction policies:</p>	No difference

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
V. Has the Company compiled reports disclosing non-financial information, such as the sustainability report, with reference to universal standards? Has the said reports been certified or guaranteed by a third-party verification unit?	√		No difference
VI. If the company has formulated its own sustainable development best-practice principles in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between its operation and the Principles: In order to fulfill corporate social responsibility, the Board of Directors has approved the establishment of “Sustainable Development Best-Practice Principles” to “implement corporate governance,” “develop a sustainable environment,” “maintain social welfare,” and “enhance the disclosure of corporate social responsibility information” as the objective with all the colleagues’s effort.			

Items to be promoted	Status of implementation (Note 1)		Differences with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
<p>VII. Other important information helpful to understand the status of sustainable development: At Trioclean, we strongly believe in the concept of “taking from the community, giving back to society.” In the future, we will commit to social work. Please refer to the “Sustainable Development” section on the Company’s website. https://triocean.com.tw/</p>			

Note 1: If “Yes” is checked for the implementation, please specify the important policies, strategies, measures adopted and the implementation. If “No” is checked for the implementation, please explain the differences and causes on the column of “Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.” Also, please specify the plans for relevant policies, strategies, and measures which will be taken in the future.

Note 2: Materiality Principle refers to environmental, social and corporate governance issues that have a significant impact on the Company’s investors and other stakeholders.

Note 3: Employee benefits, retirement system and implementation
(1) Employee welfare measures and implementation:

In addition to labor and health insurance, maternity, illness, and medical benefits and pay for all employees in accordance with the Labor Standards Act, we have also established an Employee Welfare Committee to provide employees with the basic benefits and guarantees under the Act. We also arrange travel and other activities to relax, improve the quality of life of the employees, and enhance employee friendship. Various cash gifts and subsidies for weddings, funerals, and celebrations are regularly distributed each year.

1. Welfare equipment

We have established lactation rooms, AEDs, blood pressure machines and contracted stores. The occupational health and safety management system is based on identifying hazards and evaluation and control of chances. The system operates in an organized manner to prevent accidents, reduce risks for employees, and improve safety.

2. Welfare subsidies

All employees are covered by labor insurance, health insurance, group insurance, including accidental injury insurance and employee travel insurance. Employees are also entitled to marriage allowance, birth allowance, funeral allowance, birthday cash gift, bonus for dinner party, education and training, and health check.

3. Other subsidies

We offer maternity leave, paternity leave, maternity check-up leave and parental leave in accordance with laws and regulations.

- (II) Employees' further education and training
With an aim to cultivate employees and improve their manners, professional ability and work efficiency, in addition to arranging orientation courses and various educational training courses for new recruits, we also conduct professional skill training based on different occupational and business requirements. We expect our employees to improve their academic skills to accomplish tasks.
- (III) Retirement system and implementation
For the retirement life of employees, we have formulated labor retirement guidelines in accordance with the government's new retirement system. According to the system, 6% of the total labor salaries are allocated to be deposited to employees' personal pension accounts. As for individuals voluntarily contribute to their pension, according to the contribution rate, the money will be deducted from the employees' monthly salaries and deposited into the individual pension accounts at the Bureau of Labor Insurance.
The Company's applicable regulations in accordance with the Labor Pension Act are as follows:
 - 1. Voluntary retirement:
Workers who meet any of the following circumstances may apply for voluntary retirement: (For employees who have opted for the Labor Pension Act, the same Act shall apply)
 - (1) Employees aged 55 or above with at least 15 years of service.
 - (2) Employees who have worked for more than 25 years.
 - (3) Employees aged 60 with at least 10 years of service.
 - 2. Compulsory retirement:
The Company shall not force employees to retire unless they fall into any of the following circumstances:
 - (1) Employees aged 65 or above.
 - (2) Employees with mental or physical disability that is deemed unqualified for work.
Regarding the age specified in Subparagraph 1 of the preceding paragraph, the Company may apply for changes with the competent authority for workers performing dangerous and demanding tasks. However, the age shall not be lower than fifty-five years old.
 - 3. Standards for pension payment:
 - (1) Applicable for employees who choose to continue to apply pension regulations of the "Labor Standards Act" according to the Labor Pension Act or retain their tenures before and after the promulgation of the Labor Pension Act. The pension payment standard shall be based on the Labor Pension Act calculated in accordance with Article 84-2 and 55 of the Labor Standard Act.
 - (2) Employees with tenures in the preceding paragraph who are subject to mandatory retirement in accordance with Article 35, Paragraph 1, Subparagraph 2, and whose mental or physical disability is caused due to performing duties, shall be subject to Article 55 of the Labor Standards Act, and receive 20% of the amount specified in Subparagraph 2 of Paragraph 1.

(3) For employees eligible for pension under the Labor Pension Act. We contribute 6% of the employees' monthly salary to their personal retirement accounts.

4. Retirement pension payment:

The Company shall pay the pension to the employees within 30 days from the date of retirement.

(IV) Measures for the protection of employees' rights and interests:

In addition to formulating work rules according to laws and regulations to clearly regulate various working conditions and protect the rights and interests of employees, we have established an Employee Welfare Committee according to laws and regulations. By doing this, the rights of employees can be treated fairly and reasonably. To date, we have never committed any incident that compromised the rights and interests of our employees.

(V) Agreements between labor and management:

At Triocean, the labor-management relations have always been harmonious, with open communication channels, and we have complied with laws and regulations. There have been no labor disputes or matters that require negotiation.

(VI) In accordance with Article 25 of the Company's Articles of Incorporation, if the Company makes a profit in the year, it shall set aside no less than 1% of the profit as remuneration to employees, which shall be distributed in shares or cash by resolution of the Board of Directors. The conditions are set by the Board of Directors. Employee remuneration shall be reported during the shareholders' meeting. Where the Company has accumulated losses, an amount to offset the losses shall be retained in advance, and then appropriate the employees' remuneration in accordance with the aforementioned ratio.

Note 4: Employee working environment and personal safety protection measures:

1. ISO 45001 occupational health and safety management system

The Company and its subsidiaries implement occupational safety management through reports and exchanges with various departments, as well as results and deficiencies reviews. In addition to continuous safety observation, we implement occupational safety and health management plans, and safety supervision, etc. The subsidiaries obtained ISO 45001 International Occupational Health and Safety Management System and Taiwan Occupational Safety and Health Management Systems in 2023.

The occupational health and safety management system is based on identifying hazards and evaluation and control of chances. The system operates in an organized manner to prevent accidents, reduce risks for employees, and improve safety.

2. Protective measures for working environment and personal safety of employees

2.1 To implement the work environment protection, prevent occupational safety incidents, and protect the safety of employees and contractors, the Company and its subsidiaries have established relevant construction procedures:

Phase	Item	Description
Construction work	Pre-operation risk assessment	Hazard risk assessment and identification are conducted, and construction stage risk assessment reports and occupational safety and health management plans are prepared.
	Construction drawings and confirmation	Convene meetings with relevant personnel and contractors for high-risk operations.
Construction in process	Prior application of personnel and machine access to the site	Before the vendors enter the site, information on the personnel (such as labor insurance, education and training) or machines (such as one machine and three certificates) is provided. Employees are required to undergo training on hazard awareness and safety before they enter the site.
	Safe construction environment	Safety protection measures (such as guard rails, covers, and nets) are set up and their effectiveness is ensured.
	Work in process – inspection	Regular and unscheduled audits and inspections.
After construction	Cleaning and repair after the end of construction	Before the start of each day, the safety measures are arranged for inspection and the personnel are counted.

In addition to the above-mentioned protection measures for the construction process, the Office and the site also have rules for strengthening these measures, such as regular inspections and maintenance of firefighting facilities, daily inspections of the work area for oxyacetylene and electrical equipment leaks, circuit breaker checks, and grounding. Inspections of the pressure of dry powder extinguishers are conducted each month, and protective equipment, such as safety nets and extinguishers, is optimized to increase the safety of on-site workers. The protective equipment is inspected daily to reduce the probability of accidents and maintain the safety of workers.

2.2 Occupational health services

In addition to regular employee health checkups, the Company and its subsidiaries have emergency personnel, emergency response drugs, and automated external defibrillators set up in accordance with the Occupational Safety and Health Act. The Company also assigns basic first-aid personnel to ensure that employees can operate the automated external defibrillators correctly.

In order to build a safe working environment, the Company and its subsidiaries actively participate in the “Occupational Safety and Health Week” series of events organized by the Ministry of Labor. In addition to the seminar activities, the Company specially hired Fooyin University’s occupational care staff to conduct occupational health promotion, announce various health information and health

education, actively track the health check reports, and provide professional consultation to employees. To ensure the safety of employees, the Group has formulated various “Emergency Response Plans” for fire, typhoon, earthquake, evacuation, etc. We also conduct regular drills and countermeasures for possible disasters, so that in the event of an accident we are able to manage with organized and rapid disposal to minimize injury and loss.

3. Results of occupational health and safety implementation

3.1 Labor working environment monitoring

We grasp the actual situation of the environment in the workplace, evaluate workers. We also assess the exposure status of the working environment of workers, with plans, samples, monitoring and analysis taken. To protect workers from hazardous substances in the workplace and to provide workers with a healthy and comfortable working environment, operating environment monitoring is conducted once a year to gradually understand the actual exposure status of workers.

3.2 Occupational safety and health education and training

A healthy and safe workplace is the result of the joint efforts of the Company and its employees. We ensure that managers of all levels and all employees receive the necessary occupational safety education and training to improve safety awareness. To strengthen employees’ maintenance of occupational safety and thoroughly implement occupational safety systems and regulations, we continue to organize various training courses.

Health and safety education and training and promotion

Year	Number of employees receiving education and training	Persons/hours of employee education and training
2024	195	985

Professional health and safety management personnel

Name of license	Quantity
Occupational safety and health management specialist	2
Occupational safety and health administrator	4
Type-A occupational safety and health supervisor	4
Emergency personnel	4
Labor health service nurse (contracted)	1

The Company's industrial safety performance in the past three years – Statistics on employees' disabling injuries

Year	Death accidents and major disability accidents	Temporary total disability accident
2022	Male: 0, Female: 0	Male: 0, Female: 0
2023	Male: 0, Female: 0	Male: 0, Female: 0
2024	Male: 0, Female: 0	Male: 0, Female: 0

(VI) Implementation of climate-related information

Item	Status of implementation																														
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>The Board of Directors approved the “Risk Management Policy and Organizational Procedure” on August 9, 2024, and established the risk management policy. In order to establish a comprehensive risk management system and steadily operate the business, the Company will move toward the goal of sustainable development.</p> <p>The Board of Directors is the highest decision-making body for risk management, while the Sustainable Development Committee serves as the unit for risk supervision and management. The Risk Management Group is responsible for managing operational, financial, and environmental risks. The climate change governance structure will also align with the organizational structure of risk management, with authority and responsibility assigned. Each unit serves as the primary unit for initial risk identification, assessment, and control, coordinated by the risk management team. The results of risk identification are incorporated into the risk management process to manage subsequent risk response programs, and the operation of risk management will be reported to the Board of Directors regularly.</p>																														
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short, medium, and long term).	<p>The Company identified and evaluated climate change risks (regulatory, technological, market, goodwill, physical risks, and transformation risks) and opportunities, summarized the major risks and opportunities that may bring about impacts in the short, medium, and long term, and conducted a prioritized discussion to compile three major risks and four possible opportunities.</p> <table border="1"> <thead> <tr> <th></th> <th>Risks/Opportunities</th> <th>Period</th> <th>Aspect of impact</th> <th>Level of probability of occurrence</th> <th>Level of financial impact</th> </tr> </thead> <tbody> <tr> <td>Physical risks</td> <td>Extreme weather events (typhoons, rainstorms, tropical cyclones)</td> <td>Short-term</td> <td>Direct operations</td> <td>Certain</td> <td>High</td> </tr> <tr> <td>Transformation risks</td> <td>Government's levied corporate carbon fee</td> <td>Mid-term</td> <td>Upstream suppliers</td> <td>Certain</td> <td>Medium</td> </tr> <tr> <td>Transformation risks</td> <td>Compulsory reporting and public construction specifications</td> <td>Mid-term</td> <td>Legal compliance</td> <td>Very likely</td> <td>Low</td> </tr> <tr> <td>Opportunities</td> <td>Resource efficiency, and construction of aluminum formwork for use</td> <td>Short-term</td> <td>Direct operations</td> <td>Certain</td> <td>High</td> </tr> </tbody> </table>		Risks/Opportunities	Period	Aspect of impact	Level of probability of occurrence	Level of financial impact	Physical risks	Extreme weather events (typhoons, rainstorms, tropical cyclones)	Short-term	Direct operations	Certain	High	Transformation risks	Government's levied corporate carbon fee	Mid-term	Upstream suppliers	Certain	Medium	Transformation risks	Compulsory reporting and public construction specifications	Mid-term	Legal compliance	Very likely	Low	Opportunities	Resource efficiency, and construction of aluminum formwork for use	Short-term	Direct operations	Certain	High
	Risks/Opportunities	Period	Aspect of impact	Level of probability of occurrence	Level of financial impact																										
Physical risks	Extreme weather events (typhoons, rainstorms, tropical cyclones)	Short-term	Direct operations	Certain	High																										
Transformation risks	Government's levied corporate carbon fee	Mid-term	Upstream suppliers	Certain	Medium																										
Transformation risks	Compulsory reporting and public construction specifications	Mid-term	Legal compliance	Very likely	Low																										
Opportunities	Resource efficiency, and construction of aluminum formwork for use	Short-term	Direct operations	Certain	High																										

Item	Status of implementation				
	Opportunities	Resource efficiency and the use of renewable materials	Long term	Direct operations	Low
	Opportunities	Products and services, increased innovative R&D	Mid-term	Direct operations	Low
	Opportunities	Market, actively participate in public facilities	Short-term	Direct operations	High
3. Describe the financial impact posed by extreme climate events and transformation actions.	<p>1. Extreme weather events (typhoons, rainstorms, tropical cyclones) According to the scientific focus of IPCC's sixth assessment report on climate change and Taiwan's climate change analysis update report, the 21st century's strong typhoon ratio under the best scenario (RCP8.5) will increase by about 100%. The Company expects that in the short term, there will be two to four severe typhoons per year that will cause work stoppages and property losses at construction sites. Typhoons will also cause direct and indirect management expenses for site shutdowns.</p> <p>The Company's countermeasures are to strengthen typhoon prevention measures prior to a disaster, properly inspect the site, immediately observe site conditions during a typhoon, cut employee attendance, and take out insurance against related hazards.</p> <p>2. Government-levied corporate carbon fee</p> <p>The government has adopted the "Climate Change Response Act" to establish a mechanism to levy a carbon fee on enterprises, which will increase the cost of our major raw materials (e.g. rebar, steel structures and cement) in the future. In the future, the Company will adopt low-carbon materials and raw material cost reduction strategies in response to the situation.</p> <p>3. Compulsory reporting and public construction specifications</p> <p>The relevant domestic ministries and agencies have mandated that enterprises report their GHG emissions in compliance with climate change response laws. In addition, future public construction may also have requirements related to greenhouse gas emissions and carbon footprint, which will increase the cost of human resources for the Company to implement carbon management. The Company has completed its GHG inventories and related carbon management in response to the issues</p>				
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Through cross-departmental discussion meetings, the Company identifies and sorts the climate-related risks/opportunities, assesses their financial impact, and reports the results of the climate-related risk meeting and financial impact to the Sustainable Development Committee and the Board of Directors. In addition, we periodically review the climate risk identification and assessment management at the assessment meeting.</p>				
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis	<p>The scenario of the transformation risk opportunity assessment strategy is mainly based on the 2050 net zero scenario. The physical risks are mainly based on the most optimal scenario of global warming (SSP5-8.5) in the IPCC's 6th scientific assessment report. In the future, the Company will further adopt international standards and directly adopt IFRS Sustainability Disclosure</p>				

Item	Status of implementation
<p>factors, and main financial impacts used shall be described.</p>	<p>Standards In the future, the low-carbon transformation process will be affected by a more rigorous regulatory policy and an increase in energy costs, which will increase the cost of production of the supply chain, pushing up the prices of raw materials and end-user consumers. The analysis method for risk assessment will be gradually optimized to plan and disclose the quantitative financial assessment.</p>
<p>6. If there is a transformation plan in place to manage climate-related risks, specify the contents of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>The Company established a risk team in 2024. In the future, the risk team will formulate a low-carbon transformation plan to reduce direct emissions (Scope 1), indirect emissions (Scope 2), and indirect emissions (Scope 3) from operating activities.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</p>	<p>The Company has not yet conducted internal carbon pricing</p>
<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be specified. If carbon offsets or renewable energy certificates (RECs) are used to achieve related goals, the source and quantity of carbon reduction credits or quantity of RECs for which they are exchanged should be specified.</p>	<p>The Company has not yet formulated GHG reduction targets, strategies and concrete actions. The Company is planning to formulate GHG reduction targets in 2025.</p>
<p>9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).</p>	<p>The Company conducted the GHG inventory and assurance in 2024</p>

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NTD million), and data coverage for the most recent two years.
The Company is expected to complete the 2024 GHG inventory in May 2025.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the most recent two years up to the date of publication of the annual report, including the scope of assurance, assurance institution, assurance criteria, and assurance opinions.
The Company has not yet conducted GHG assurance for 2024, which is expected to be completed in June 2025 in accordance with the schedule.

1--2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans, and achievement of the reduction goals.
The Company has not yet formulated GHG reduction targets, strategies and concrete actions. The Company is planning to formulate GHG reduction targets in 2025.

(VII) Fulfillment of ethical corporate management and differences from the ethical corporate management best-practice principles for TWSE/TPEX listed companies:

Evaluation item	Status of Operation		Differences with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
<p>I. Establishment of the ethical corporate management policy and action plans</p> <p>(I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?</p>	√		<p>In order to implement the ethical corporate management policy and actively prevent unethical conduct, the Company has established the “Corporate Governance Best-Practice Principles,” “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Corporate Management and Conduct Guidelines,” and the “Code of Ethical Conduct” to specifically regulate the matters that the Board of Directors, management and all employees should pay attention to when conducting business. They are both disclosed on the Company’s website at https://triocean.com.tw/ for the implementation of relevant personnel.</p>
<p>(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?</p>	√		<p>The Company has formulated the “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Corporate Management and Conduct Guidelines,” and the “Code of Ethical Conduct” which cover the prevention measures for the following conduct:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes . 2. Providing illegal political donations. 3. Improper charitable donations or sponsorships . 4. Offering or acceptance of unreasonable gifts , hospitality or other improper benefits . 5. Infringing business secrets, trademark rights, patent rights, copyrights, or other intellectual property rights. 6. Engaging in unfair competition practices. 7. Directly or indirectly damaging the rights, health, and safety of consumers or other stakeholders during the research and development, procurement, manufacturing, provision, or sale of products and services.

Evaluation item	Status of Operation		Differences with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
(III) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?	√		No difference
II. Implementation of ethical corporate management (I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?	√		No difference
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against	√		No difference

Evaluation item	Status of Operation		Differences with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
<p>unethical conducts and the supervision status on a regular basis (at least once a year)?</p>			
<p>(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?</p>	√		No difference

Evaluation item	Status of Operation		Differences with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?	√		No difference
(V) Does the company organize internal or external training on a regular basis to maintain ethical management?	√		No difference
III. State of operations of the company's reporting system (1) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?	√		No difference

Evaluation item	Status of Operation		Differences with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?	√		No difference
(III) Has the company taken appropriate measures to protect the whistleblower from mistreatment as a result of whistleblowing?	√		No difference
IV. Information disclosure strengthening Has the company disclosed the content of its ethical corporate management Best-Practice principles and the results of implementation on its official website and the MOPS?	√		No difference
V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies? Principles: The Company has established its “Ethical Corporate Management Best-Practice Principles and Conduct Guidelines” and operates in accordance with these Principles .			No difference

Evaluation item	Status of Operation		Differences with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes
	Yes	No	
<p>VI. Any other important information that may help understanding the performance of ethical corporate management better (e.g. review of an amendment to its Ethical Corporate Management Best-Practice Principles):</p> <p>(I) The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the regulations related to listing on the Taiwan Stock Exchange, and other laws and regulations related to business practices, and operates in a practical and honest manner.</p> <p>(II) The “Procedures for Board Meetings” sets forth the terms for the recusal of the directors whose interests are involved in a motion. In the event of any motion that is detrimental to the Company’s interests, the director must state his/her opinions and answer questions. However, the director involved in a conflict of interest may not participate in discussions and voting, and may not exercise their right to vote on behalf of other directors.</p> <p>(III) The Company has established the “Internal Material Information Handling and Prevention of Insider Trading Management Procedures,” which stipulate that directors, supervisors, managers, and employees shall not disclose any material inside information to others, shall not inquire about or collect any undisclosed material inside information of the Company that is not related to their personal duties from those who possess such information, and shall not disclose to others any undisclosed material inside information of the Company that is not obtained through the execution of business.</p> <p>(VIII) If the company has adopted corporate governance best-practice principles or related by-laws, disclose how these are to be searched: Please refer to the corporate governance section of the Market Observation Post System or the corporate governance section of the Company’s website at http://triocean.com.tw.</p> <p>(IX) Other significant information that will provide a better understanding of the state of the company’s implementation of corporate governance: None.</p>			

(X) Implementation of internal control system

1. Statement of Internal Control

Triocean Industrial Corporation Co., Ltd.

Internal Control System Statement

Date: March 11, 2025

The Company's internal control system for 2024, based on the results of self-assessment, is hereby declared as follows:

- I. The Company and its subsidiaries acknowledge that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Board of Directors and Managers of the Company. Therefore, the Company and the subsidiaries have established the aforementioned system. Its objectives are to provide reasonable assurance for the effectiveness and efficiency of its operations (including profitability, performance, and the guarantee of assets safety), reliable, timely and transparent reporting, and conformity to applicable rules, regulations, and laws.
- II. The internal control system has inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the internal control systems of the Company and its subsidiaries have set up a self-supervision mechanism. Once a deficiency has been identified, the Company and its subsidiaries will take immediate remedial actions.
- III. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereafter the “Regulations”), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the “Regulations” are based on the process of management control, dividing the internal control system into five composite factors: 1. Control of the environment, 2. Risk evaluation, 3. Control of operations, 4. Information and communication, and 5. Supervision. Each component further includes several items. The composition of each element also includes several items.
- IV. The Company and its subsidiaries have adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
- V. Based on the evaluation result of the preceding paragraph, the Company and its subsidiaries believe that the internal control systems as of December 31, 2024, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, were effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
- VI. This Statement will serve as the main content of the Company’s annual report and prospectus and will be made available to the public. Any unlawful act of falsehood or non-disclosure in the above-mentioned disclosure may result in legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. The Statement has been passed by the Board of Directors Meeting of the Company held on March 11, 2025, where none of the six attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Triocean Industrial Corporation Co., Ltd.

Chairman: Chiang Yu-Lien Signature/Seal

General Manager: Hsu Cheng-Che Signature/Seal

(XI) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and the status of improvements. : None

(XII) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, important resolutions adopted at the shareholders’ meeting or board of directors meeting:

1. Important resolutions adopted at the shareholders’ meeting and their implementation :

Date	Name of meeting	Important resolution	Status of implementation
2024.05.27	2024 Annual General Meeting	1. Approved the Company’s 2023 business report and financial statements.	Executed as resolved.
		2. Approved the Company’s 2023 earnings distribution.	Executed as resolved. Cash dividends at NTD 2 per share, except for the distribution on July 17, 2024
		3. Approved the motion for amendment to the “Articles of Incorporation.”	Executed as resolved.
		4. Approved the motion for removal of the non-competition restriction on directors.	Executed as resolved.

2. Important resolutions adopted at the Board meeting and their implementation :

Date	Name of meeting	Important resolution
2024.04.11	22nd term 7th Board meeting	1. Approved the ratification of the motion to sign the house leases of the Company. 2. Approved the ratification of the motion to sign the subsidiary’s house lease.
2024.05.10	22nd term 8th Board meeting	1. Approved the motion for allocation of employee stock options for managers of the Company and subsidiaries for the first cash issue of common stock in 2024 2. Approved the motion for the Company’s consolidated financial report for Q1 2024. 3. Approved the motion to apply for credit line from financial institutions .
2024.08.09	22nd term 9th Board meeting	1. Approved the motion for the Company’s consolidated financial report for Q2 2024. 2. Approved the formulation of the Company’s “Sustainable Development Committee Charter.” 3. Approved the establishment of the Company’s “Risk Management Policy and Organizational Procedure.” 4. Approved the formulation of the Company’s “Rules for the Preparation and Filing of Sustainability Reports.” 5. Approved the results of the 2024 sustainability report. 6. Approved the motion for subsidiary’s future investment plan to purchase land. 7. Approved the distribution of 2023 remuneration to the directors and the details and distribution date.

Date	Name of meeting	Important resolution
		<p>8. Approved the motion for 2024 mid-year construction performance bonus for managers of the Company and subsidiaries.</p> <p>9. Approved the motion for ratification of the promotion of Chen Kuang-Hui, manager of the Construction Department 2 of the subsidiary.</p> <p>10. Approved the motion to apply for credit line from financial institutions.</p>
2024.09.19	22nd term 10th Board meeting	<p>1. Approved the Company's plan to lease the "Golden Dragon Bay Area Commercial Space and Nearby Space" from the Port of Kaohsiung, Taiwan International Ports Corporation.</p> <p>2. Approved the effective use of the Company's capital and future business planning, and intended to invest securities in the Company's related industries.</p> <p>3. Approved the effective use of the subsidiary's capital and future business planning, and intended to invest in securities in the relevant industries of the subsidiary.</p> <p>4. Approved the motion for establishment of the Sustainable Development Committee.</p>
2024.11.12	22nd term 11th Board meeting	<p>1. Approved the motion for the Company's consolidated financial report for Q3 2024.</p> <p>2. Approved the motion for the Company's 2025 annual audit plan.</p> <p>3. Approved the motion to increase the capital of the subsidiary Shang Ting Construction Co., Ltd. from cash .</p> <p>4. Approved the establishment of the internal control system in the Company's "Measures for Sustainability Information Management".</p> <p>5. Approved the motion to amend the "Accounting Professional Judgment Process, Accounting Policies and Management of Changes in Estimates".</p> <p>Passed amendments to "Management for Applying IAS".</p> <p>7. Approved the motion for amendment to "Supervision and Management of Subsidiaries".</p> <p>8. Approved the motion for distribution of year-end bonuses to managers .</p> <p>9. Approved the motion for distributing year-end bonuses to the managers of subsidiaries .</p> <p>10. Approved the motion to apply for credit line from financial institutions.</p> <p>11. Approved the motion for the Company's 2025 business plan.</p>
2025.03.11	22nd term 12th Board meeting	<p>1. Approved the motion for 2024 distribution of remuneration to employees and directors.</p> <p>2. Approved the motion for Company's 2024 consolidated financial report and parent company only financial report.</p> <p>3. Approved the motion for the Company's 2024 business report.</p> <p>4. Approved the motion for the Company's 2024 earnings distribution.</p> <p>5. Approved the motion for the Company's 2024 "Internal Control System Statement."</p> <p>6. Motion for assessment of the independence and suitability of the appointed CPAs and the remuneration.</p> <p>7. Approved the motion for the Company's issuance of the second domestic secured convertible bonds and the third domestic unsecured convertible bonds.</p> <p>8. Approved the motion to increase the capital of the subsidiary Shang-Ting Construction Co., Ltd. from cash.</p> <p>9. Approved the motion to reduce the capital of the subsidiary, Tri Ocean Textile (Thailand) Co., Ltd. by cash.</p> <p>10. Approved the motion for salary range for entry-level employees.</p>

Date	Name of meeting	Important resolution
		11. Approved the motion for amendment to the “Articles of Incorporation.” 12. Approved the motion for formulation of the “Ethical Corporate Management Procedures and Conduct Guidelines.” 13. Approved the motion for amendment to the “Code of Ethical Conduct.” 14. Approved the motion for amendment to the “Procedures for Board Meetings.” 15. Approved the motion for amendment to the “Remuneration Committee Charter.” 16. Approved the motion for amendment to the “Procedures for Transactions between Enterprise Groups, Specific Companies, and Stakeholders.” 17. Approved the motion for formation of the “Procedures for Greenhouse Gas Inventories.” 18. Approved the motion for 2024 construction performance bonus for managers of the Company and subsidiaries . 19. Approved the motion for salary adjustment of the managers of the Company and its subsidiaries. 20. Approved the date, venue and reason for the Company’s 2025 Annual General Meeting. 21. Approved the motion to apply for credit line from financial institutions .

(XIII) Where, in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration: None.

(XIV) A summary of resignations and departures during the most recent fiscal year, up to the date of publication of the annual report, of the company’s chairman, general manager, accounting supervisor, financial supervisor, internal auditing supervisor, corporate governance supervisor, and R&D supervisor: None.

IV. Information on CPA fees

(I) Information on fees for CPAs:

Units: NTD thousand

Name of CPA Firm	Name of CPA	CPA audit period	Audit fee	Non-audit fee	Total	Remarks
Deloitte Taiwan	Chen Chen-Li	2024.01.01–2024.12.31	3,480	600	4,080	● Internal adjustment of the firm ● Non-audit fees include: 1. Transfer pricing 400 2. Capital increase service 200
	Chen Hsiu-Wen	2024.01.01-2024.12.31				

Note: Fees include the Company and its subsidiaries .

(II) Where the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amount, percentage, and reason for the reduction should be disclosed: Not applicable.

(III) Where the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the amount, percentage and reason for such reduction shall be disclosed: None.

V. Replacement of CPA: None.

VI. Information on the chairman, general manager, financial and accounting manager of the company who has worked with the company's external auditors or the affiliates to such auditors in the most recent year: None.

VII. Transfer or pledge of equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent year and until the date of publication of the annual report

(I) Changes in equity of directors, supervisors, managers and major shareholders

Unit: Share

Job title	Name	2024		For the current year up to March 30, 2025	
		Number of shares held Increase (decrease)	Number of shares pledged Increase (decrease)	Number of shares held Increase (decrease)	Number of shares pledged Increase (decrease)
Juristic person director and also a major shareholder with a stake of 10%	Hong-Ting Co., Ltd.	-	-	-	-
Chairman	Hong-Ting Co., Ltd. Representative: Chiang Yu-Lien	2,000,000	-	-	-
Juristic person director and also a major shareholder with a stake of 10%	Hong-Ting Co., Ltd.	-	-	-	-
Juristic person director	Dai Wan Shiung Ching Co., Ltd.	-	-	-	-
Representative of juristic person director	Dai Wan Shiung Ching Co., Ltd. Representative: Hung Kuo-Chin	-	-	-	-
Representative of juristic person director	Dai Wan Shiung Ching Co., Ltd. Representative: Su Cheng-Hui	-	-	-	-
Independent Director (Note 1)	Hung Yu-Ting	-	-	-	-
Independent Director	Huang Hao-Chen	-	-	-	-
Independent Director	Huang Lung-Sheng	-	-	-	-
Independent Director	Wang Chien-Chih	-	-	-	-
General Manager	Hsu Cheng-Che	40,648	-	-	-
Finance and Accounting Officer	Chen Hsing-Chen	20,000	-	-	-
Major shareholder with a stake of 10%	Shun-Mei Enterprise Co., Ltd.	-	-	-	-

Note 1: Resigned on July 17, 2023.

(II) Transfer of directors , managerial officers and major shareholders to related parties :

None .

(III) Equity pledged by directors, managerial officers and major shareholders to related parties : None.

VIII. Relationship information, if among the top ten shareholders any one is a related party, or the spouse or a relative within the second degree of kinship of another

March 30, 2025; Unit: Shares; %

Name	Number of shares held by oneself		Number of shares held by spouse and underage children		Number of shares held in the name of others		Designation, name and relationship, if among the top ten shareholders any one is a related party, or the spouse or a relative within the second degree of kinship of another		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Hong-Ting Co., Ltd.	16,238,000	30.94	-	-	-	-	None	None	None
Hong-Ting Co., Ltd. Representative: Chiang Yu-Lien	2,000,000	3.81	2,567,468	4.89	-	-	Hung Hsin-Wen Hung Hung-Chang	Brother-in-law Spouse	None
Shun-Mei Enterprise Co., Ltd.	11,324,859	21.58	-	-	-	-	None	None	None
Shun-Mei Enterprise Co., Ltd. Representative: Hung Hsin-Wen	-	-	-	-	-	-	Chiang Yu-Lien	Sister-in-law	None
Hung Hung-Chang	2,567,468	4.89	2,000,000	3.81	-	-	Chiang Yu-Lien	Spouse	None
Yung-Chin Investment Ltd.	1,099,288	2.09	-	-	-	-	None	None	None
Yung-Chin Investment Ltd. Representative: Chia Wen-Chung	-	-	-	-	-	-	None	None	None
Dai Wan Shiung Ching Co., Ltd.	1,069,789	2.04	-	-	-	-	None	None	None
Dai Wan Shiung Ching Co., Ltd. Representative: Chiang Yu-Lien	2,000,000	3.81	2,567,468	4.89	-	-	Hung Hsin-Wen Hung Hung-Chang	Brother-in-law Spouse	None
Chen Feng-Hui	1,093,000	2.08	-	-	-	-	None	None	None
Huang Chun-Ming	946,718	1.80	6,081	0.01	-	-	None	None	None
Chang Kai-Ching	930,000	1.77	-	-	-	-	None	None	None
Huang Chao-Chu	838,436	1.60	-	-	-	-	None	None	None

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

December 31, 2024; Unit: Shares; %

Investee business (Note)	The Company's investment		Investment by directors, supervisors, managers and directly or indirectly companies		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Tri Ocean Textile (Thailand) Co., LTD	9,372,500	100.00%	0	0	9,372,500	100.00%
Shang-Ting Construction Co., Ltd.	150,000,000	100.00%	0	0	150,000,000	100.00%

Note: Long-term investment of the Company

Three. Fundraising

I. Capital and shares

(1) Source of capital stock

1. Share stock formation process

March 31, 2024; unit: shares, NTD

Year/month	Issue price	Authorized shares		Paid-in capital		Notes		
		Number of shares	Amount (NTD)	Number of shares	Amount (NTD)	Source of capital stock	Property other than cash as equity	Others
1968.10	10,000	360	3,600,000	360	3,600,000	Cash	None	None
1969.06	10,000	1,800	18,000,000	1,800	18,000,000	Cash	None	None
1974.06	10,000	2,400	24,000,000	2,400	24,000,000	Cash	None	None
1986.06	10,000	3,600	36,000,000	3,600	36,000,000	Cash	None	None
1991.10	10,000	10,800	108,000,000	10,800	108,000,000	Cash	None	None
1996.11	10	19,000,000	190,000,000	19,000,000	190,000,000	Cash NTD 44,200,000, Earnings NTD 37,800,000	None	Note 1, Note 2
1997.07	23, 10	30,000,000	300,000,000	30,000,000	300,000,000	Cash NTD 72,000,000 (NTD 23), Earnings NTD 19,000,000 (NTD 10) Surplus NTD 19,000,000 (NTD 10)	None	Note 3
1998.11	33, 10	55,000,000	550,000,000	50,000,000	500,000,000	Cash NTD 134,000,000 (33), Earnings NTD 66,000,000 (NTD 10)	None	Note 4
1999.07	10	90,000,000	900,000,000	60,000,000	600,000,000	Earnings NTD 100,000,000	None	Note 5
2000.07	10	99,000,000	990,000,000	69,000,000	690,000,000	Cash NTD 30,000,000, Earnings NTD 60,000,000	None	Note 6
2003.08	13.5	99,000,000	990,000,000	87,500,000	875,000,000	Cash NTD 185,000,000	None	Note 7
2011.09	10	99,000,000	990,000,000	59,500,000	595,000,000	Capital reduction NTD 280,000,000	None	Note 8
2012.07	8	99,000,000	990,000,000	64,500,000	645,000,000	Private placement of 5,000,000 shares on July 20	None	
2012.12	13.3	99,000,000	990,000,000	66,650,000	666,500,000	Private placement of 2,150,000 shares on December 5	None	
2013.09	15.1	99,000,000	990,000,000	71,650,000	716,500,000	Private placement of 5,000,000 shares on September 30	None	
2015.12	11.9	99,000,000	990,000,000	74,150,000	741,500,000	Private placement of 2,500,000 shares on December 28	None	
2017.03	9	99,000,000	990,000,000	76,373,000	763,730,000	Private placement of 2,223,000 shares on March 31	None	
2017.09	10	99,000,000	990,000,000	42,672,722	426,727,220	Capital reduction NTD 337,002,780	None	Note 9
2019.01	21.8	99,000,000	990,000,000	45,672,722	456,727,220	Cash NTD 30,000,000	None	Note 10

Year/month	Issue price	Authorized shares		Paid-in capital		Notes		
		Number of shares	Amount (NTD)	Number of shares	Amount (NTD)	Source of capital stock	Property other than cash as equity	Others
2019.11	10	99,000,000	990,000,000	46,049,427	460,494,270	Corporate bonds converted to common stock NTD 3,767,050	None	Note 11
2020.03	10	99,000,000	990,000,000	46,052,851	460,528,510	Corporate bonds converted to common stock NTD 34,240	None	Note 12
2020.12	5.66	99,000,000	990,000,000	86,052,851	860,528,510	Private placement of 40,000,000 shares on December 4	None	
2021.09	10	99,000,000	990,000,000	24,988,082	249,880,820	Capital reduction NTD 610,647,690	None	Note 13
2023.07	28.92	99,000,000	990,000,000	42,488,082	424,880,820	Private placement of 17,500,000 shares on July 12	None	
2024.07	51	99,000,000	990,000,000	52,488,082	524,880,820	Cash NTD 100,000,000	None	Note 14

Note: 1. The change in par value was approved by the Ministry of Economic Affairs by letter (85)-Shang-Zi No. 115702 dated October 8, 1996.

2. The capital increase change was approved by the Ministry of Economic Affairs by letter (85)-Shang-Zi No. 119160 dated November 20, 1996.

3. (86) Tai-Cai-Zheng (1) No. 24626 by Securities and Futures Institute dated March 18, 1997.

4. (87) Tai-Cai-Zheng (1) No. 89664 by Securities and Futures Institute dated October 30, 1998.

5. (88) Tai-Cai-Zheng (1) No. 58201 by Securities and Futures Institute dated June 25, 1999.

6. (89) Tai-Cai-Zheng (1) No. 58660 by Securities and Futures Institute dated July 7, 2000.

7. (92) Tai-Cai-Zheng (1) No. 0920123099 by Securities and Futures Institute dated June 2, 2003.

8. Jin-Guan-Zheng-Fa-Zi No. 1000038380

9. Jin-Guan-Zheng-Fa-Zi No. 1060030454

10. Jin-Guan-Zheng-Fa-Zi No. 1070347147

11. Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10856303800

12. Taipei City Government Fu-Chan-Ye-Shang-Zi No. 10947616600

13. Capital reduction approved by Tai-Zheng-Shang-Zhi No. 1101804185

14. The capital increase change was approved by the Ministry of Economic Affairs by Jing-Shou-Shang-Zi No. 11330158680 dated September 16, 2024.

2. Type of share capital

Unit: Share

Type of shares	Authorized shares			Remarks
	Shares outstanding	Unissued shares	Total	
Common shares	20,635,253	46,511,918	99,000,000	TWSE-listed stocks
Common shares	31,852,829			Common stock in private placement

3. Information about shelf registration:

Types of marketable securities	Scheduled issued amount		Amount issued		The purpose and expected benefits of the issued portion	Scheduled issuance period of the unissued portion	Remarks
	Total number of shares	Approved amount	Number of shares	Price			
None							

(II) List of major shareholders

March 30, 2025; Unit: Shares; %

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
Hong-Ting Co., Ltd.		16,238,000	30.94
Shun-Mei Enterprise Co., Ltd.		11,324,859	21.58
Hung Hung-Chang		2,567,468	4.89
Chiang Yu-Lien		2,000,000	3.81
Yung-Chin Investment Ltd.		1,099,288	2.09
Chen Feng-Hui		1,093,000	2.08
Dai Wan Shiung Ching Co., Ltd.		1,069,789	2.04
Huang Chun-Ming		946,718	1.80
Chang Kai-Ching		930,000	1.77
Huang Chao-Chu		838,436	1.60

(III) Company's dividend policy and implementation

1. Company's dividend policy:

According to the Company's Articles of Incorporation, if the Company has earnings after annual settlement, they shall be distributed in the following order:

- (1) Pay taxes in accordance with the law;
- (2) Offset the accumulated deficits from previous years;
- (3) Allocate 10% as the legal reserve. However, if the legal reserve amounts to the paid-in capital of the Company, no further appropriation may be required;
- (4) For the rest, set aside or reverse special reserve according to laws and regulations;

- (5) If there is a remaining balance, together with the accumulated undistributed earnings, the Board of Directors shall prepare an earnings appropriation proposal in accordance with the Company's dividend policy and submit it to the shareholders' meeting for resolution.

Earnings may be distributed in the form of cash dividends or stock dividends. Cash dividends are preferred for the distribution of earnings, but may be distributed in the form of stock dividends. However, the percentage of stock dividends may not be distributed at a rate of more than 50% of the total dividends as a principle. Where the Company has no earnings to distribute for the year, or the Company has earnings but the amount of earnings is far less than the actual earnings distributed by the Company in the previous year, or based on the Company's finance, business, and operating conditions, all or a portion of the Company's reserves may be distributed in accordance with the laws and regulations of the competent authorities.

2. Dividend distribution proposed at the shareholders' meeting :

The Company's 2024 distributable earnings were NTD 654,581,285. The Board of Directors resolved on March 11, 2025 to pass the motion for the 2024 earnings distribution. The cash dividend is NTD 3 per share and will be resolved by the shareholders' meeting on May 28, 2025.

- (IV) Effect of the proposed stock dividend on the Company's operating performance and earnings per share : Not applicable .

(V) Remuneration to employees, directors and supervisors

1. The percentage or range of remuneration to employees, directors, and supervisors stated in the Articles of Incorporation:

In accordance with the Company's Articles of Incorporation, if the Company makes a profit in the year, it shall set aside no less than 1% of the profit as remuneration to employees, which shall be distributed in shares or cash by resolution of the Board of Directors. The conditions are set by the Board of Directors. The Company may set aside no more than 4% of the above-mentioned profit as remuneration to directors, as resolved by the Board of Directors. Remuneration to employees may only be paid in cash. The motion for distribution of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting for reporting. Where the Company has accumulated losses, an amount to offset the losses shall be retained in advance

2. The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

When there is a significant change in the amount resolved by the Board of Directors, the change shall be adjusted to the originally appropriated annual expense. If there is still a change in the amount after the annual financial report is approved and issued, it will be treated as a change in accounting estimates and adjusted and recorded in the following year .

3. Information on the proposed distribution of remuneration to employees approved by the Board of Directors:

	Resolutions of the Board of Directors on March 11, 2025
Remuneration to employees (Cash)	3,815,414
Remuneration to directors (Cash)	7,630,828
Total	11,446,242

4. Actual distribution of remuneration to employees, directors, and supervisors in the previous year:

	May 27, 2024 Report at the shareholders' meeting	Actual payment
Remuneration to employees (Cash)	2,485,177	2,485,177
Remuneration to directors (Cash)	1,242,589	1,242,589
Total	3,727,766	3,727,766

(VI) Shares repurchased by the Company : None.

II. Issuance of corporate bonds : None.

III. Preferred shares : None.

IV. Global depository receipts : None.

V. Employee share subscription warrants: None.

VI. Restricted stock awards: None.

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

VIII. Fund Utilization Plan Implementation Status:

2024 cash issue of common shares

(I) Plan content

1. Competent authority approval date and letter number: Jin-Guan-Zheng-FA-Zi No. 1130340461 on May 3, 2024 .
2. Total fund required for the plan: NTD 510,000 thousand.
3. Source of capital: 10,000 thousand shares issued for cash capital increase at par value of NTD 10 per share, totaling NTD 100,000 thousand, at issuance price of NTD 51 per share, totaling NTD 510,000 thousand.
4. Plan items and progress of projected use of funds

Unit: NTD thousand

Item/Plan	Date of completion	Total amount of funds required	Progress of projected use of funds		
			2024		2025
			Q3	Q4	Q1
To repay bank loans	Q3 2024	400,000	400,000	-	-
To enrich working capital	Q1 2025	110,000	30,000	50,000	30,000
Total		510,000	430,000	50,000	30,000

5. Projected benefits

① To repay bank loans

For the previous cash capital increase by issuing common shares. NTD 400,000 thousand of the funds raised were used to repay bank loan. If calculated based on the Company's average interest rate of 2.425% for short-term loans of 2024,

the estimated interest expense saved in 2024 would be NTD 2,425 thousand. In the following years, the estimated interest expense to be saved is NTD 9,700 thousand, which can appropriately reduce the Company's financial burden, effectively minimize the damage of interest expense on profitability, improve the Company's financial structure, and enhance solvency.

② To enrich working capital

For the previous cash capital increase by issuing common shares. NTD 110,000 thousand of the funds raised were used to enrich the working capital, in response to the working capital needs increased due to future operational growth. The funds raised can be used to replace bank loans, which helps reduce the Company's dependence on banks, improve the stability of long-term capital, improve short-term solvency, strengthen the Company's flexibility in capital allocation and strengthen the its financial structure. At the same time, we can also save interest expenses to improve the Company's operational competitiveness. If the above-mentioned capital needs were to be financed by bank loans, based on the Company's average interest rate of 2.425% for short-term loans of 2024, the estimated interest expense saved in 2024 would be NTD 181 thousand in 2024, and NTD 2,486 thousand in each subsequent year.

(II) Implementation status

Unit: NTD thousand

Plan item	Implementation			Reasons for being ahead of or behind schedule and improvement plans
To repay bank loans	Amount disbursed	Projected	400,000	Completed by Q4 2024
		Actual	400,000	
	Progress of implementation (%)	Projected	100.00%	
		Actual	100.00%	
To enrich working capital	Amount disbursed	Projected	110,000	
		Actual	110,000	
	Progress of implementation (%)	Projected	100.00%	
		Actual	100.00%	
Total	Amount disbursed	Projected	510,000	
		Actual	510,000	
	Progress of implementation (%)	Projected	100.00%	
		Actual	100.00%	

The Company issued new shares for cash capital increase in 2024. The repayment of bank loans was completed by Q3 2024. The replenishment of working capital is expected to be completed in Q1 2025. However, as some of the Company's projects have entered the stage of intensive construction, the Company has undertaken new projects. Therefore, the Company has used the funds raised in advance to pay for construction. The capital increase plan was completed in Q4 2024, and disclosed on MOPS on January 10, 2025. There was no major irregularity.

Four. An Overview of Operations

I. Business

(I) Scope of business

1. The Company's main business activities

- C301010 Spinning of Yarn
- C302010 Weaving of Textiles
- C307010 Clothing Accessories
- C801120 Manufacture of Man-made Fiber
- F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- F111090 Wholesale of Building Materials
- F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- F211010 Retail Sale of Building Materials
- F401010 International Trading
- H701010 Housing and Building Development and Rental
- H701020 Industrial Factory Buildings Lease Construction and Development
- F199990 Other Wholesale Trade
- H703090 Real Estate Business
- E601010 Electric Appliance Construction
- E603090 Illumination Equipment Construction
- E603050 Automatic Control Equipment Construction
- E606010 Power Consuming Equipment Inspecting and Maintenance
- E607010 Solar Thermal Energy Equipment Installation Engineering
- E701030 Restrained Telecom Radio Frequency Equipment and Materials Construction
- E603040 Firefighting Equipment Construction
- CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- CC01090 Manufacture of Batteries and Accumulators
- CB01010 Mechanical Equipment Manufacturing
- D101050 Combined Heat and Power
- D101060 Self-Usage Power Generation Equipment Utilizing Renewable Energy Industry
- E501011 Tap Water Pipelines Contractors
- E601020 Electric Appliance Installation
- F213110 Retail Sale of Batteries
- F113100 Wholesale of Pollution Controlling Equipment
- F213100 Retail Sale of Pollution Controlling Equipment
- H701040 Specific Area Development
- H701050 Investment, Development and Construction in Public Construction
- H701060 New County and Community Construction and Investment
- H701070 Process Zone Expropriation and Urban Land Readjustment Agency
- H701080 Urban Renewal Reconstruction
- IG03010 Energy Technical Services
- J101030 Waste Disposing
- J101040 Waste Treatment

- J101060 Wastewater (Sewage) Treatment
- J101990 Other Environmental Sanitation and Pollution Prevention Service
- I103060 Management Consulting
- IZ12010 Manpower Dispatched
- ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval
- E101011 Comprehensive Construction Activities

2. The sales weights of the Company's main products in 2024 are as follows

Unit: NTD thousand; %

Product item	Net turnover	Weight of business (%)
Construction project	2,335,467	100.00
Total	2,335,467	100.00

3. The Company's current products (services)

Primarily revenue from construction projects.

4. New products (services) planned to be developed

After the transformation since 2021, the Company has increased the items and sales amount of construction materials for sale. Via the subsidiary, Shang-Ting Construction Co., Ltd., qualified as a Grade-A construction contractor, the Company participated in the bidding for public construction projects and various construction projects with private enterprises in order to increase the chances of contracting more construction projects. Meanwhile, the Company combines the job divisions within the Group to expand the business scale and maximize the profit and continues focusing on the core profession.

In recent years, the government has continued to promote major public construction projects, and adopted the tender model encouraging the most advantageous tenders. In order to avoid the contract awarding in steps resulting in the failure to bridge the engineering interface, more and more turnkey projects have emerged, and even extended to BOT projects during the operation period. As a policy, the Company hopes to integrate all teams through one single contact window and thoroughly implement government asset activation throughout the life cycle of a building. Via the subsidiary, Shang-Ting Construction Co., Ltd., qualified as a Grade-A construction contractor, the Company participated in the bidding for public construction projects and various construction projects with private enterprises, in order to increase the chances to contract more construction projects. Meanwhile, the Company combines the job divisions within the Group to expand the business scale and maximize the profit and continues focusing on the core profession.

(II) Industry overview:

1. Current status and development of the industry

As we entered the post pandemic era in 2024, people have since been able to return to normality, with many economic activities revitalizing and postponed construction projects restarting. In addition, the government has continued to promote many major public construction projects, resulting in an increased demand for construction projects in the form of container and prefabricated homes, and since 2024, the demand for residential and factory construction has continued to increase

The construction industry is mainly divided into three categories: civil engineering, construction engineering, and special construction. The sales amount and the number of enterprises in the construction engineering industry are significantly lower than that of the civil engineering and special construction industries. However, the subcontracts required for the construction projects are dispersed in the specialized construction industry, and the degree of subcontracting is relatively complex. The building construction industry will not be able to complete a construction project by itself, but the support of other subcontractors is required. Therefore, from the perspective of project contracting, the industry's sales volume is relatively low compared to the number of enterprises.

According to Taiwan Industry Economics Services, the sales of the construction industry declined in recent years mainly due to the change in the domestic engineering investment strategy and the gradual formation of a trend of turnkey and then subcontracting projects, including the mechanical, electrical, and plumbing operations and specialized projects such as infrastructure and land preparation that must be invested in. This has led to the increase in the sales of specialized construction in recent years compared to civil engineering, resulting in a significant crowding-out effect that has caused the sales growth of the construction business to remain weaker than that of specialized construction. Due to this, the proportion of sales in the construction industry further decreased to 14.47% in 2022.

Overview of sales amount and annual growth rate of construction industry by sub-sector

Unit: %

Sub-sector	2021		2022		2023		2024 Jan. to Sept.	
	Sales amount	Annual growth rate	Sales amount	Annual growth rate	Sales amount	Annual growth rate	Sales amount	Annual growth rate
Civil Engineering	24.99	11.55	24.26	13.71	24.02	6.57	23.68	8.75
Construction Engineering	14.55	11.09	14.47	16.45	15.38	14.47	15.89	16.87
Specialized construction	60.45	16.72	61.27	18.71	60.60	6.49	60.43	10.57

Source: Fiscal Statistical Database, TIER, December 2024

Overview of the number of companies and annual growth rate of construction industry by sub-sector

Unit: %

Sub-sector	2021		2022		2023		2024 Jan. to Sept.	
	No. of companies	Annual growth rate	No. of companies	Annual growth rate	No. of companies	Annual growth rate	No. of companies	Annual growth rate
Civil Engineering	11.99	0.76	11.44	1.35	10.95	1.36	10.62	1.52
Construction Engineering	5.46	6.92	5.48	6.62	5.58	7.93	5.65	8.00
Specialized construction	82.55	6.18	83.09	6.98	83.47	6.37	83.73	6.28

Source: Fiscal Statistical Database, TIER, December 2024

To further analyze the trend in the proportion of sales of small projects, it is evident that, in terms of residential construction and house repair, this segment holds the highest proportion

of sales in the industry. The proportion of sales for both from January to September 2024 increased compared to the whole year of 2023. This was mainly due to the booming housing market, the increase in the number of people buying pre-owned houses, resulting in the demand for renovation, and also the increase in the willingness of real estate developers to push forward residential projects.

Overview of the proportion of sales in the building and construction industry by subcontracted project

Subcontracted projects	2023 years Sales percentage	January to September 2024 Sales percentage
House repair	3.23%	3.54%
Construction of tin-sheeted houses	0.87%	1.15%
Residential construction	43.20%	43.31%
Mechanical parking tower construction	0.20%	0.19%
Incineration plant and waste treatment plant	7.73%	8.29%
Columbarium construction	0.92%	0.48%
Other construction works	43.85%	43.04%

Source: Fiscal Statistical Database, TIER, December 2024

According to the report of the DGBAS, the total special budget created for the Forward-looking Infrastructure Development Program is NTD 840 billion. The program has been promoted since 2017, and as of Phase 4 of the Program, a total of NTD 769.7 billion had been allocated. The special budget created for Phase 4, which is pending to be carried out, of the Program was NTD 70.3 billion. Based on local construction needs, important infrastructure facilities in counties and cities that help balance and jointly govern the region are prioritized, as well as the important infrastructure facilities in rural areas that have been underinvested in the past in terms of development. In addition, in line with the acceleration of national economic transformation, regional integration and balanced development, the Taiwan government continued to promote rail transit, while significantly improving the standard of infrastructure in water resources, digital, green energy, industry, education and social welfare, indigenous people and Hakka infrastructure. This is the nation's way of responding to the country's needs for future international development trends. Meanwhile, the government has been making an effort to attract more Taiwanese businessmen to return home and increase foreign investors to invest more in Taiwan. Through the New Southbound Policy, Taiwan's economy will be able to connect with the world, putting the country on the map. After transformation, Taiwan's economy has become stronger and stronger. Coupled with a more comprehensive social security and medical and public health system, not only has Taiwan successfully withstood the severe test of the US-China trade war and the ravages of COVID 19, but Taiwan's kindness has also been shown to the world with its "Taiwan can help" aid campaign.

According to TTIER, the construction industry in Taiwan reached NTD 2,008.2 billion from January to July 2024, representing a significant growth of 11.28% over the same period of NTD 1,804.6 billion in 2023. This is mainly due to the abundance of construction projects in progress and some projects entering the main structural phase. The revenue from construction projects is recognized in the growth period. Additionally, several projects are in the inspection and acceptance stage, and some were completed early due to customer requirements. The

early completion of the projects has also contributed to making the payment reflect more centrally. In particular, the boost in the civil engineering industry is largely due to the increase in infrastructure budget, and the government's continued encouragement for the completion of construction procurement and pre-construction work quickly, in order to reduce the budget and eliminate the obstacles to project performance as early as possible. In addition, in response to the double increase in construction material costs, supplementary budgets were also organized, which contributed to the control of the project progress. In addition, the Company has also been actively involved in the post-disaster reconstruction work in Hualien, and the required funds for reconstruction and recovery work were urgently approved. As improvement projects for the railway and highway system and its ancillary facilities increased, the number of construction projects also increased.

Sales volume and annual growth rate of the construction industry by sub-sector

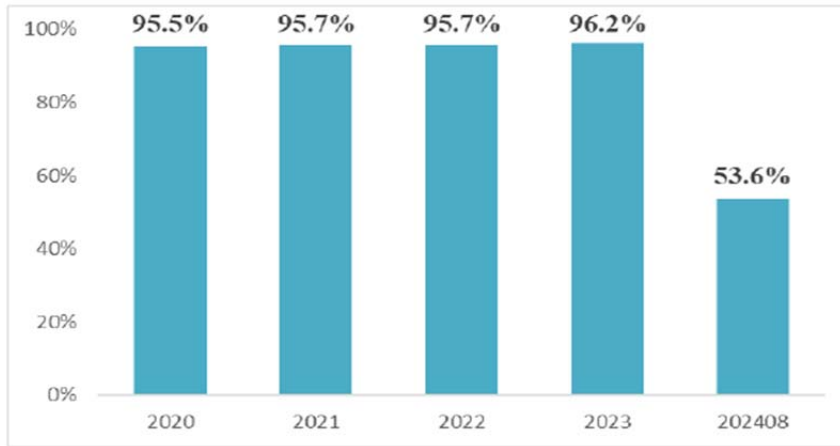
Unit: NTD 100 million, %

Item	2020	2021	2022	2023	2024 Jan. to Jul.
Civil Engineering	6,886	7,681	8,734	9,308	4,779
Annual growth rate	6.07	11.55	13.71	6.57	8.99
Construction Engineering	4,026	4,472	5,208	5,962	3,178
Annual growth rate	7.10	11.09	16.45	14.47	16.53
Electrical, Mechanical and Plumbing Engineering	7,102	8,352	10,288	10,620	5,383
Annual growth rate	7.56	17.61	23.18	3.23	7.60
Finishing and Renovation Works	3,901	4,610	5,222	5,683	3,035
Annual growth rate	2.98	18.17	13.28	8.82	16.86
Other Construction	4,914	5,616	6,544	7,182	3,708
Annual growth rate	18.00	14.30	16.51	9.75	11.18
Construction industry	26,829	30,732	35,996	38,754	20,082
Annual growth rate	8.15	14.55	17.13	7.66	11.28

Source: Fiscal Statistical Database, TIER, October 2024

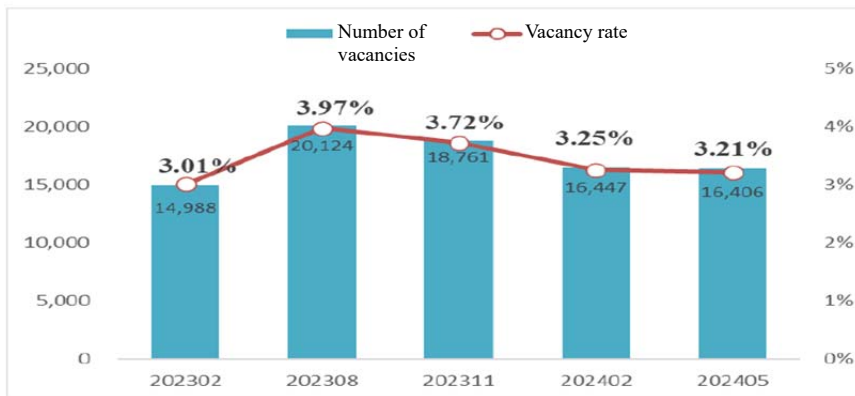
The government has made a promise to achieve 95% of the public construction budgets by 2024. Considering that the achievement rate reached more than half by the end of August, it is expected that the public construction works will be sped up before the end of the year. The volume of inputs for projects including civil engineering, public construction, electrical and mechanical works will be even more significant in that period. In addition, the strong typhoon Gaemi and typhoons Kaili and Krathon in the second half of the year caused disasters in Taiwan, particularly the recurrence of flood prevention and damage in southern Taiwan. In Eastern Taiwan, there were landslides that led to the hollowing out of the foundations of many railroad and highway bridges, coupled with the damage to embankments and siltation of the drainage system that required immediate attention. It is expected that the subsequent post-disaster reconstruction works will accelerate the funds required for the inventory, which will be conducive to the continued increase in the volume of infrastructure works.

Public construction funds in Taiwan



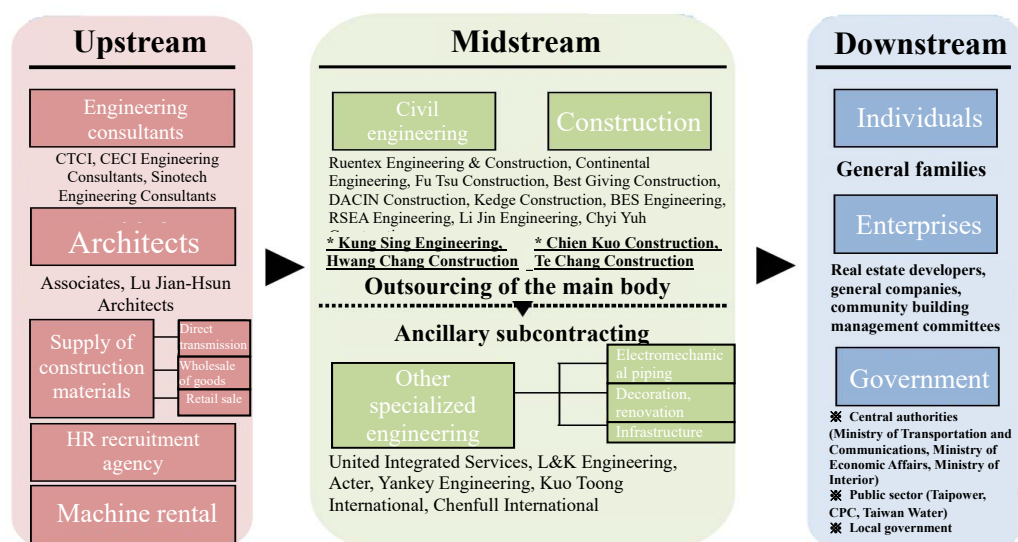
Source: National Development Council , TIER, October 2024

Due to low childbirth rates, the construction industry is facing a severe shortage of basic manpower and technicians with professional licenses. The number of job vacancies in the construction industry still remains at a certain level. In August 2023, the Ministry of the Interior announced the “Employer Qualification Recognition of Foreign Workers for Construction Works.” The recruitment of foreign workers has alleviated the shortage of basic manpower for the construction industry. For the first phase of the policy, 8,000 placements were offered, and for the first phase of the policy in September 2023, an additional 7,000 placements were offered, totaling 15,000 placements. According to the statement of the National Land Management Agency, MOI, as of the beginning of August 2024, a total of 1,264 applicants were qualified for a total of 14,934 positions, and 15,000 placements will be filled, dropping the job vacancy rate to 3.21%. In the future, the competent authority will make a rolling adjustment based on the development of the construction industry and the human resource supply and demand situation. Therefore, the possibility of opening the door to foreign construction workers is optimistic.



Source: Directorate-General of Budget (Accounting and Statistics), TIER, October 2024

2. Correlation between upstream, midstream and downstream of the industry



3. Development trends of products

The building materials and construction industry refers to the upstream and downstream related industries engaged in the design and construction or turnkey projects of residential buildings, commercial offices, factories or public works, etc. The Company's current business scope includes repair/maintenance contracts, construction contracts such as land preparation, infrastructure, installation of construction equipment, and civil engineering construction, alteration, and repair; civil engineering projects include road works, utility works, and other civil works; specialized construction includes land preparation, foundation and structural engineering, garden landscaping engineering, installation of electrical and mechanical equipment, plumbing and other construction equipment, decoration works after building completion, and other specialized construction projects.

Public construction is the engine of national development, which stimulates the economy, increases employment and domestic demand in the short term, and accumulates capital stock, promote private investment and improve the quality of life of citizens in the long run. In order to accelerate the investment in public construction, the government has been improving the national infrastructure in Taiwan. As a means to mitigate the impact of COVID-19 on the economy, the government also spared no efforts to help accelerate the promotion of public construction and stimulate the economy.

(III) Technology and R&D Overview

The Company is committed to the professional field of public works. During the planning of construction projects, the Company considers the design of green buildings and also incorporates multiple artificial intelligence technology management systems during the construction process. The Company researches the mature technology applications on the market and also continues to invest resources to research and conceive how to implement new technologies into buildings to upgrade the intention of construction projects.

1. Combine multiple monitoring and management systems based on artificial intelligence technology to improve occupational safety monitoring skills, such as mobile CCTV real-time monitoring system, time-lapse camera, and emergency broadcast notification

system. Each floor of the construction site is equipped with emergency communication system to ensure that in case of an emergency in the area, the on-site status can be grasped at any time to achieve real-time management regardless of the mobile phone network signal or the inability to contact the management personnel.

2. The latest face recognition system that can identify persons wearing mouth masks is implemented and, combined with forehead temperature detection, may automatically record personnel access statistics. When the face and body temperature is incorrect, the censorship system will not be activated, so as to achieve effective controls.
3. In order to proactively develop the application of BIM, the Company uses the BIM model to conduct pre-safety assessment on the construction site before construction, complete the main inspection, and simulate conflict points before construction to ensure the integration of construction, enable engineering personnel to understand and respond to the construction information correctly, help the project run successfully and ensure safety and quality.

Apply the BIM model to invest in deepened development of technology and application research, and conduct joint research with customers, suppliers and supervision units in a timely manner. Pricing control can also be carried out based on the BIM model simulation results to achieve the cost control .

Through the establishment of the BIM building information model, the position and swing angle of cranes are reviewed to reduce the possible incidents, such as falling, hitting, tipping, and crushing, that may occur in the swinging light rail machine room of the hanging operation. Then, the correct position of cranes may be verified, so that the Company may plan clearance of surrounding facilities to achieve construction safety and quality.

4. With the development of AI technology, construction projects have entered the era of smart construction. Overhead operations take the initiative to replace laborers with robotic arms to mitigate the risk over the overhead operations. The Company also engaged in the industry–academia cooperation with Feng Chia University to research spraying coating robots for overhead work, in order to mitigate the harm from high-risk operations and reduce the time that workers spend in overhead operations.
5. Pre-cast technology has become an important means for the construction industry to improve construction efficiency and quality. However, there are many innovative technologies that can be researched and developed to further improve sustainability, automation levels, and adaptability. We will strive to work with vendors to develop and introduce automated pouring, vibration forming, and smart curing technologies to improve the production efficiency and quality stability of pre-cast components.

(IV) Long-term and short-term business development plans:

1. Short-term business development plan
 - (1) Focus on managing the progress of the project to ensure that the project is completed within the contract period.
 - (2) Inspect construction quality in accordance with contracts and laws and regulations to ensure qualified acceptance.

- (3) Strengthen the management of construction costs and increase the gross profit of construction projects.
 - (4) Comply with laws and regulations related to work, environmental, and labor safety to ensure site safety.
 - (5) Improve internal management procedures and work efficiency.
2. Long-term business development plan
 - (1) Actively participate in the bidding of various public construction projects to explore future revenue.
 - (2) Cooperate with the government's new energy policy and bid for solar energy, wind energy and other green power related projects to expand business scope and increase profits.

II. Analysis of the market as well as the production and marketing situation

(I) Market analysis:

1. Sales regions of the main products:

Unit: NTD thousand

Regions	2024	
	Amount	Percentage
Domestic sales	2,335,467	100.00
Total	2,335,467	100.00

2. Market share of major products:

According to the “Monthly Fiscal Statistics – January 2025” of the Department of Statistics, Ministry of Finance, the total annual revenue of the construction industry in 2024 was NTD 4,355,301 thousand, and the revenue of the company was NTD 2,335 thousand, with a market share of about 0.05%.

3. Future supply, demand and growth of the market:

The global economic growth has slowed down and the manufacturing sector has not yet bounced back. However, the successive easing of monetary policies in major countries has contributed to boosting economic and trade dynamics. In addition, Trump's return to the White House has raised the uncertainty of the economy, and it is expected that his policies will have a significant impact on the global political and economic situation.

Looking forward to the next half of the year, the construction industry is expected to remain optimistic. This is mainly attributed to the increase in the public construction budget, as well as the continued plant expansion plans of hi-tech manufacturers. However, the real estate market is expected to be sluggish due to the central bank's expansion of credit controls, the tightening of mortgage reviews, and increases in interest rates. It is expected that the real estate market will pick up only after the loan conditions are relaxed, following a decline in the number of transactions in October.

In the construction industry, although most government public works projects were progressing smoothly, there was a surge of work before the end of the year. The Price Stabilization Group of the Executive Yuan has resolved to extend the reduction of the key

raw material tax until the end of 2024. The key materials include the cement widely used in the industry, which can mitigate the construction cost pressure for the related manufacturers. However, the weak housing market has affected housing construction projects. In addition, the authority in China has forced steelmakers to reduce production, which has led to a decrease in supply and an increase in demand. It is expected that this effect will gradually emerge in Q4, turning the weak steel price upward. Therefore, the construction industry is expected to remain in a stable state in October.

Looking forward, the overall budget for public construction in Taiwan in 2025 is expected to inject industrial development momentum effectively as it will exceed the NTD 780 billion in 2024. Also with hi-tech companies continuing to expand plants, it is beneficial to the orders of the mechatronics companies. Therefore, the overall construction economy is expected to improve.

The Executive Yuan approved the first phase of the Kaohsiung International Airport New Terminal Project in 2021. The first amendment was approved in 2023, and the funding for the first and second phases of the project is estimated to reach NTD 88.08 billion. Kaohsiung International Airport is the base for realizing the “Southern Semiconductor S Corridor” plan and promoting the development of the New Southbound Policy. As well as this, the airport is also the highlight of the “Taiwan North-South Twin Port Project” in Southern Taiwan. The relevant engineering units are requested to complete the first phase of the construction plan by 2032 as per schedule and the quality of the project must be ensured. At the same time, there are comprehensive plans in place for Kaohsiung’s land, sea, and air transport, making Kaohsiung an important transportation hub.

Taoyuan International Airport used to be the gateway to Taiwan. In order to realize the concept of “Balanced Taiwan,” the Executive Yuan will launch the “Taiwan North-South Twin Port Project.” Aside from accelerating the construction work in Terminal 3 of Taoyuan International Airport, hoping to open the North Boarding Hall in mid-2025, the Executive Yuan also fully promotes the construction project of the new terminal building at Kaohsiung International Airport. In an effort to make the airport the highlight for the “Taiwan North-South Twin Port Project,” the new terminal building is to bring significant changes and impacts on overall industries and passenger flow upon its completion.

According to the statistics of the Directorate-General of Budget, fixed capital formation in Taiwan is expected to increase by 7.17% in 2025, which is slightly higher than that in 2024. Although the growth rate of government investment related to public sectors and public sector investment has slightly declined due to the high base period, the growth momentum is strong. The growth rate of private sector investment has slightly increased. Although the growth in investment has not been as impressive as the post pandemic period in 2021 and 2022, it was not easy to achieve such a growth rate as the international political and economic situation was unpredictable and volatile. In view of this, Taiwan’s investment environment will be relatively stable in 2025, and the overall construction volume will continue to increase. The future purchase of construction and the promotion of investment are all favorable. Therefore, the government’s forecast of the annual growth rate of fixed capital in 2025 is higher than the previous year.

Annual growth rate of fixed capital formation in Taiwan and its forecasts

Unit: %

	2021	2022	2023	2024(e)	2025(f)
Annual growth rate of fixed capital formation of government departments	-4.36	11.80	8.38	9.40	6.11
Annual growth rate of fixed capital formation of state-owned enterprise	6.02	16.41	12.77	10.04	8.37
Annual growth rate of fixed capital formation of private sectors	22.48	11.74	-9.25	6.20	7.23
Total annual growth rate of fixed capital formation	18.15	11.99	-6.27	6.83	7.17

Note: The annual growth rate of fixed capital is calculated based on the price.

Source: Directorate-General of Budget (Accounting and Statistics), TIER, October 2024

As for the performance of Taiwan's construction industry in 2025, despite the fact that the overall investment demand and project capacity will continue to expand, uncertainties will be faced in the implementation progress, with policy and supply variables having a greater impact. It is expected that the increase in contribution to future construction performance will be moderated; coupled with the high base period, it is estimated that the industry's performance in 2025 will turn into a slower growth trend compared to 2024. Although the growth will not be as good as the double-digit growth in 2024, an excellent performance of high single-digit growth is expected.

4. Competitive niche and favorable and unfavorable factors for development prospects, and countermeasures:

A. Favorable factors

Infrastructure construction, such as roads, bridges, airports, ports, and power facilities, drives commercial activities and industrial development. The impact of infrastructure construction on society is far-reaching, as it can promote economic development and improve people's livelihoods. At the same time, infrastructure construction creates numerous job opportunities and drives the development of related industries, such as building materials, equipment, and transportation. The government and enterprises need to take into account economic benefits, social needs and environmental sustainability in planning in order to achieve the goal of long-term development.

a. Assisting construction industry to solve the problem of labor shortage

In order to coordinate and improve the labor shortage in the domestic construction industry, the Public Construction Committee, Executive Yuan has coordinated with the Ministry of Labor to reasonably amend the regulations on foreign construction workers in public construction. The Committee has been working with the Ministry of the Interior, the Ministry of Labor, and the Ministry of Economic Affairs to promote holistic improvement measures.

b. Develop new construction methods to reduce costs

In view of the pressure from the construction industry to increase the operating and construction costs, the industry players are actively developing new construction methods, such as the use of modular technologies such as the pre-casting method and the aluminum formwork method, to save manpower and work hours.

On the other hand, we have introduced smart systems and automated machines to assist construction operations. As well as these, we also added a linked automatic sprinkler dust suppression system and alarm device to fully grasp the various noise conditions of air pollution, and to implement response measures in a timely manner .

c. Golden Award for Public Works

Study the appropriateness of including the golden award of public works in the “maintenance and management category.” Strengthen ecological sustainability measures, including ecological inspection as the recommendation benchmark. Include ecological experts and scholars in on-site reviews or re-evaluation meetings. This aims to make the target and scope of the Gold Award wider, and the depth of the evaluation criteria more complete.

d. Improve electronic procurement operations and build a friendly and convenient procurement environment

Continue to promote the mechanism of electronic bidding and public access to electronic quotation, and improve the functions of the system.

B. Unfavorable factors

- a. The financial system has a conservative attitude toward the financing of the construction industry, and the capital turnover is relatively inflexible.
- b. International large-scale construction companies enter the country to compete in the construction market.

C. Countermeasures

a. We will strengthen organizational efficiency and cost control to reduce costs and maintain profitability. Meanwhile, by selecting excellent competitors and working with professional contractors in the same industry or different industries, we can reduce cost risks and large expenditures in a short period of time. Through cooperation, we will be able to improve the overall quality, and thereby enhance the trust and credit conditions of the bank.

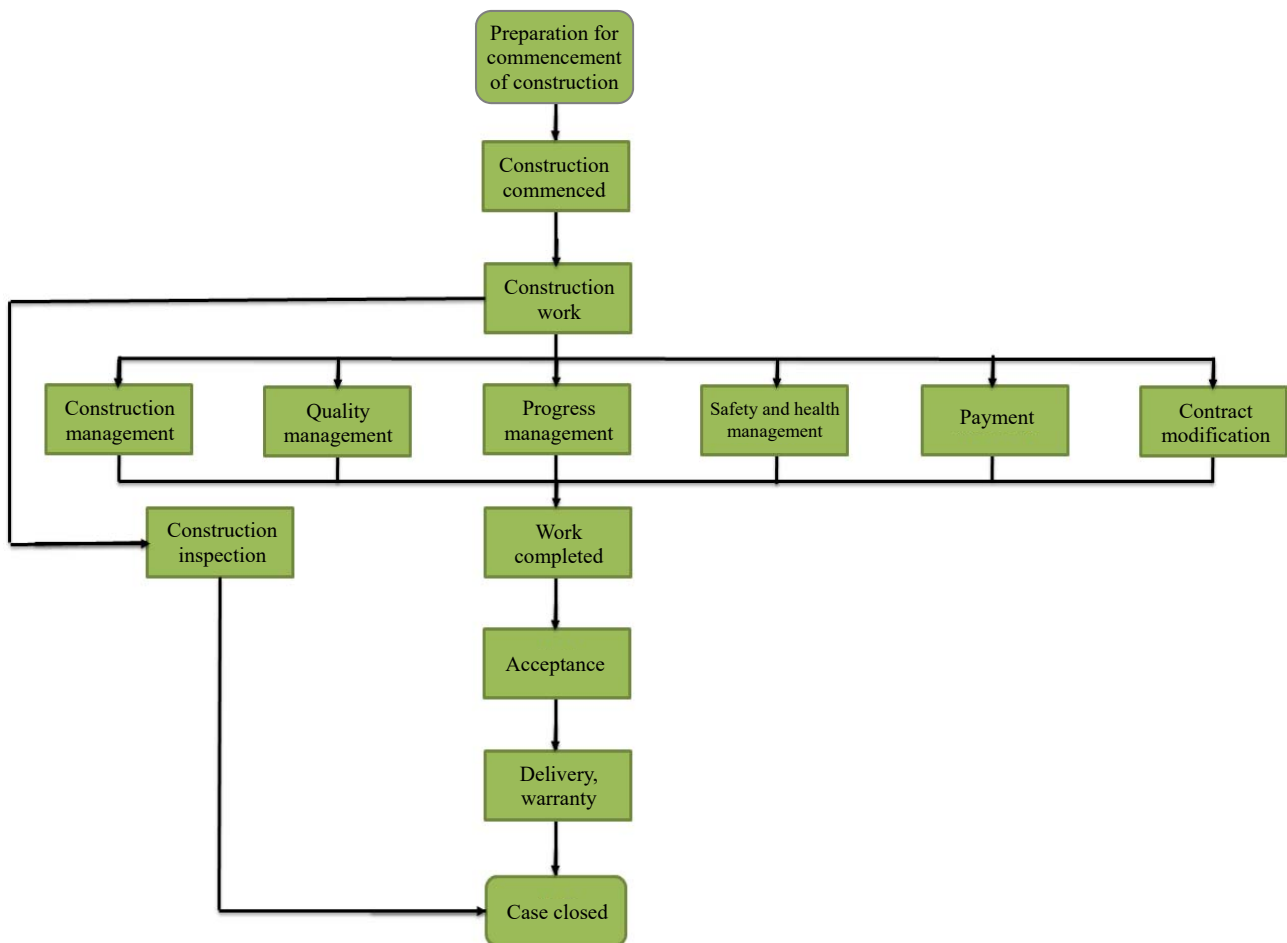
b. We are committed to pragmatically preparing and investing in various projects, while improving the overall image of the Company and establishing good construction quality through efforts to obtain the public construction gold award. By effectively utilizing the background as a list-company, we will make good use of financial advantages to establish the reputation of the Company among customers.

(2) Important uses of the main products and production processes:

1. Important uses of the main products

Name of main product	Important purpose
1. Residential construction	1. Government housing and dormitory projects.
2. Commercial and office buildings	2. Office buildings, hospitals, schools and other projects.
3. Public works	3. MRT projects, highways, civil engineering and bridge projects, etc.
4. Plant and other construction	4. Plant engineering and other special engineering projects.

2. Production process of main products



(III) Supply of main raw materials:

Category	Main raw materials	Status of supply
Civil engineering	Ready-mixed concrete, steel bars	Domestic supply, normal
Steel structure	Steel, iron products	Domestic supply, normal
Pipelines	Plastic pipes, steel pipes, valves	Domestic supply, normal
Instruments and electronics	Switchboard, cables, detection equipment	Domestic supply, normal
Equipment	Firefighting equipment, chiller, etc.	Domestic supply, normal

The Company takes on projects commissioned by proprietors using a turnkey approach. The contractors who have worked with the Company for a long time supply all the required materials, labor, and equipment. Measures have been taken to address the problem of labor shortage and to improve the stable supply and demand of sand and gravel. There is no shortage of supply that may affect the construction schedule.

(IV) List of major suppliers and customers for the most recent two years:

1. Suppliers with 10% or more purchase in the most recent two years:

Unit: NTD thousand

Item	2023				2024			
	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer
1	—	—	—	—	—	—	—	—
2	Others	1,617,322	100.00	—	Others	1,946,185	100.00	—
	Net purchase	1,617,322	100.00	—	Net purchase	1,946,185	100.00	—

Note: The Company has transformed itself into a construction industry, with the subsidiary Shang Ting undertaking turnkey public construction projects. Due to the large number of construction projects, the suppliers are relatively dispersed. Therefore, there were no suppliers with more than 10% of purchases in both years. Overall, there were no significant irregularities.

2. Customers with 10% or more sales in the most recent two years:

Unit: NTD thousand

Item	2023				2024			
	Name	Amount	Proportion to net sales of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of the year (%)	Relationship with the issuer
1	Customer A	502,606	25.81	None	Customer A	432,875	18.53	None
2	Customer B	427,054	21.93	None	Customer B	167,320	7.16	None
3	Customer C	331,413	17.02	None	Customer C	65,010	2.78	None
4	Customer D	198,667	10.20	None	Customer D	334,289	14.31	None
5	Customer E	138,652	7.12	None	Customer E	475,711	20.37	None
6	Customer F	18,326	0.94	None	Customer F	300,159	12.85	None
	Others	330,814	16.98	—	Others	560,103	24.00	—
	Net sales	1,947,532	100.00	—	Net sales	2,335,467	100.00	—

Note: The Company has transformed itself into a construction industry, with the subsidiary Shang Ting contracting turnkey public works. Revenue is recognized according to the progress of the projects. This is the Company's operating characteristics. Overall, there were no significant irregularities.

III. Information on employees in the last two years and up to the date of publication of the annual report

Year		2023	2024	2025 up to March 31
Number of employees	Direct labor	23	50	49
	Indirect labor	152	189	207
	Total	175	239	256
Average age		41.80	40.11	40.26
Average service seniority		1.36	1.59	1.55
Education distribution ratio	Doctoral Degree	0.00%	0.00%	0.00%
	Master's Degree	7.43%	7.56%	7.42%
	Junior College	32.00%	60.51%	63.29%
	Senior High School	60.57%	22.27%	20.31%
	Below high school	0.00%	9.66%	8.98%

IV. Information on environmental protection expenditures

Total amount of losses and penalties due to environmental pollution in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, and describe future countermeasures (including improvement measures) and possible expenditures: None.

V. Labor - Management Relations

(I) The Company's various employee welfare measures, further education, training, and retirement systems and their implementation, as well as labor-management agreements and various measures to protect the rights and interests of employees:

1. Employee welfare measures, further education and training:

The Company has an Employee Welfare Committee to handle employee welfare activities. Detailed welfare plans and budgets are created each year, including New Year's Day gifts, employee group activities, employee wedding and funeral subsidies, and employee birthday gift vouchers. We also take out group insurance and organize education and training from time to time to improve workplace skills.

2. Retirement system and its implementation:

After the "Labor Pension Act" came into effect on July 1, 2005, employees of the Company may opt for the retirement requirements stipulated in the "Labor Standards Act" or the retirement system stipulated in the Labor Pension Act and retain the number of years of service prior to the promulgation of the Act. For employees subject to the Act, the Company's monthly retirement contribution rate shall not be less than 6% of the employee's monthly salary.

3. Employees' further education and training

To encourage employees to pursue further education in their spare time, the Company has established guidelines for on-the-job training. The training plan is prepared by each department at the end of each year based on their annual education and training needs. The Company's further education and training are divided into three categories: newcomer training, on-the-job training, and internal training. By doing so, we hope that our employees will continue to pursue further education and learning in their respective positions and to lay the foundation for the Company's future growth.

4. Agreements between labor and management:

The Company has always valued the opinions of our colleagues. In addition to holding regular labor meetings, we also encourage employees to provide suggestions through the Company's formal or informal communication channels at any time to understand colleagues' opinions on the Company's management and welfare system, as a reference for improvement. Through the two-way communication opportunities between the Company and employees, both parties can better understand each other and draw consensus, and the opinions of the labor force can be valued and resolved quickly by the employer.

5. Measures for the protection of employees' rights and interests:

The Company currently does not have a labor union. However, under the principle of emphasizing labor-management harmony and valuing employee opinions, we have not only formulated work rules according to government regulations, but also established reasonable and reasonable standards for wages, working hours, leave, retirement, and bereavement in addition to safety and health, education and training, and other welfare measures. At the same time, the emphasis on communication, coordination and resolution has won the trust and support of employees. To date, there have been no major labor disputes resulting in losses. Therefore, the relationship between the Company and employees is harmonious.

- (II) List the losses suffered by the Company (Including violations of the Labor Standards Act based on labor inspection results, the details should include the date of the penalty, penalty reference number, the violated legal provisions, the content of the violation, and the penalty imposed.) due to labor disputes in the most recent year and up to the date of publication of the annual report, and disclose an estimate of possible expenses that could be incurred currently and, in the future, and countermeasures being or to be taken. If it is impossible to make a reasonable estimate, an explanation of the facts why it is impossible shall be provided: The Company did not suffer any major labor disputes or labor agreements in the most recent year and up to the date of publication of the annual report.

VI. Cyber security management

- (I) Describe the cybersecurity risk management framework, cybersecurity policies, specific management plans, and resources invested in the cybersecurity management.

1. Cybersecurity risk management framework

In order to strengthen the information security management and ensure the security of data, systems and networks, the Company has established a dedicated information security unit in accordance with the Company's internal "Cybersecurity Inspection Management Measures." The unit consists of a dedicated information security supervisor and an information security staff, responsible for the planning and implementation of information security affairs. In case of information security incidents, the unit will conduct reporting and organize a response team according to the information security incident notification process.

2. Cyber security policy:

- (1) The term “information security” as used in this policy refers to ensuring the accuracy of the Company’s information processing and the reliability of the computer software, hardware, peripheral devices, and network systems used by operating personnel, and ensuring that said resources are free from interruption, damage, or intrusion or attempt thereof.
- (2) In order to prevent the attacks of computer viruses, the Company has purchased legal anti-virus software, and regularly updated the relevant virus codes and anti-virus engines. To effectively promote information security efforts. The Company provides a safe information environment to ensure the sustainable operation of its business.
- (3) In the event of a cybersecurity incident, each unit shall immediately report to the IT unit, and the IT unit shall manage the emergency incident crisis. The Company has joined the TWCERT/CC (Taiwan Computer Emergency Response Team/Coordination Center). Therefore, it may make emergency reports and obtain assistance from relevant resources, as well as information security messages and resources.
- (4) This policy shall be in line with the latest development in relevant laws, technologies and businesses to ensure the effectiveness of information security practices.

3. Concrete management plans:

The implementation principles is divided into “Internet Security,” “System Security,” “Physical Security” and “Personnel Training.”

- (1) Internet security: The connection between the Company and the outside world needs to be controlled by the firewall to ensure security. If the Company’s system is developed or maintained by an outsourced vendor, the relevant vendors must sign a safety and confidentiality agreement.
- (2) System security: The Company regularly inspects, updates, maintains and performs backups in order to prevent various external information security threats. If the Company is attacked by hackers or infected with viruses, the information security incident notification process should be conducted, and the information security personnel should be notified.
- (3) Physical security: Fire extinguishers and UPS are installed in the computer room to ensure normal operation. Weakness scanning and penetration tests are conducted every year to ensure the information security of servers.
- (4) Employee training: The Information Department shall promote information security and important information security messages every year to strengthen the information security awareness of employees. Information security personnel shall participate in information security education and training every year to enhance information security awareness.

4. Quantitative data on the investment in information security management:

In order to deal with the rapidly changing network security threats, the Company is committed to avoiding being affected by the new risks and attacks, while strengthening the real-time protection against any major network attacks or incidents to prevent the Company’s finance and business from any material adverse effects.

The Company’s information security budget in 2024 accounted for 30% of the annual

information budget. The budget was created for the construction of hardware and software related to cybersecurity and the strengthening of information security service, as well as reviewing the current year's cybersecurity and formulating improvement plans:

- (1) Formulate advanced continuing defense measures for location scanning, to detect and prevent encryption and extortion threats, and discover “ unknown” malware.
 - (2) As security awareness enhancement among employees requires long-term continuous training and counseling in order to avoid hacking, the Company conducts social engineering drills.
 - (3) Strengthen the recovery and contingency operation mechanism, identify the probability and degree of impact of events that might cause business interruption, and clearly define the recovery time objective (RTO) and data recovery time objective (RTO) of the core business, and install an appropriate backup mechanism and a backup plan.
 - (4) Renewal and updating of information security and anti-virus software, along with improved cloud backup, to prevent hacking intrusions.
- (II) In the most recent fiscal year and by the date of publication of the annual report, there were no major network attacks or incidents that adversely affected the Company's financial operations.

VII. Important contracts

The Company's supply and sale contract, technical cooperation contract, engineering contract, long-term loan contract and other contracts that are valid as of the publication date of the annual report and expired in the most recent year and other contracts that are significant enough to affect shareholders' equity:

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictive clauses
Construction contract	Pingtung County Government	From contract signing on June 27, 2022 until completion	New construction of residential long-term care facility in Ligang Township, Pingtung County	None
Construction contract	New Construction Office, Public Works Bureau, Kaohsiung City Government	From contract signing on July 05, 2022 until completion	The National Sports Stadium in Nanzi District, Kaohsiung City	None
Construction contract	Water Resources Bureau, Kaohsiung City Government	Completion within 1400 days from contract signing on August 29, 2022	Turnkey project for new construction of social housing in Daliao	None
Construction contract	Public Works Bureau, Tainan City Government	Completion within 450 days from contract signing on January 9, 2023	New construction of Yujing Agricultural Products Processing and Cold Chain Logistics Center	None
Construction contract	Water Resources Bureau, Kaohsiung City Government	From contract signing on January 4, 2023 until completion	Qiaotou Sewage District, Gangshan District (Gangshan District) Phase 2, tender 1 (II)	None
Construction contract	New Construction Office, Public Works Bureau, Kaohsiung City Government	From contract signing on January 17, 2023 until completion	New construction of Guangfu Barracks and Dashu North Barracks for Plant 205, Armaments Bureau of the Ministry of National Defense	None
Construction contract	National Housing and Urban Renewal Center	Completion within 1600 days from contract signing on February 1, 2023	The primary contract project of "Shanming Anju" and "Shui Xiu Anju" social housing in Xiaogang District, Kaohsiung City	None
Construction contract	Air Force Training and Command Department	From contract signing on February 20, 2023 until completion	New construction of duty dormitory in Ci-En Village 25	None
Construction contract	Port of Kaohsiung, Taiwan International Ports Corporation	From signing on June 14, 2023 to completion on May 31, 2025	Construction of the solar photovoltaic invoice system of the 7th container center of Kaohsiung Port	None
Construction contract	Civil Aeronautics Administration, Ministry of Transportation and Communications	From signing on December 18, 2023 to completion on December 31, 2026	Kaohsiung International Airport New Terminal Project – Phase 1 Construction Drawing – Turnkey Project for East Side Three-dimensional Parking Lot	None
Construction contract	Port of Kaohsiung, Taiwan International Ports Corporation	From contract signing on April 26, 2023 until completion	"Turnkey project for the renovation of buildings and public infrastructure in the Golden Dragon Bay Area of Penghu Port"	None
Lease contract	Port of Kaohsiung, Taiwan International Ports Corporation	20 years from the date of delivery of the first phase of the lease	Lease of the Golden Dragon Bay Area Commercial Space and Nearby Space	None

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictive clauses
Construction contract	National Housing and Urban Renewal Center	From signing on December 18, 2023 to completion on May 5, 2028	New Construction of turnkey project of “Yuzhong Anju” Social Housing	None
Construction contract	New Construction Office, Public Works Bureau, Kaohsiung City Government	From signing on February 15, 2024 to completion on August 30, 2025	The National Sports Stadium in Xiaogang District, Kaohsiung City (2nd Project)	None
Construction contract	Civil Aeronautics Administration, Ministry of Transportation and Communications at Kaohsiung International Airport	From signing on April 8, 2023 to completion on December 31, 2026	New fence, drainage and surrounding facilities on the north side of Kaohsiung Airport	None
Construction contract	Port of Hualien, Taiwan International Ports Corporation	From signing on August 20, 2024 to completion on June 30, 2025	Port of Hualien #17-#25 earthquake recovery project	None
Construction contract	Port of Kaohsiung, Taiwan International Ports Corporation	From signing on August 5, 2024 to completion on April 26, 2026	Port of Kaohsiung Container No. 5 electrical substation project	None
Construction contract	National Housing and Urban Renewal Center	From signing on August 30, 2024 to completion on May 31, 2028	Turnkey projects of “Yongcheng” and “Hesheng” social housing in Pingtung City, Pingtung County.	None
Construction contract	National Housing and Urban Renewal Center	From contract signing on December 25, 2024 until completion	Turnkey projects of “Xiaoxing Anju A” social housing in Qiaotou District, Kaohsiung City	None
Construction contract	Pingtung County Ocean and Fisheries Affairs Administration Office	From signing on January 3, 2025 to completion on December 25, 2026	Seawater Supply System at Siaputou, Dazhuang and Donghai aquaculture production area (water supply station and water transmission and distribution pipeline Area A project), Pingtung County	None
Construction contract	New Construction Office, Public Works Bureau, Kaohsiung City Government	From signing on January 14, 2025 to completion on April 7, 2028	New construction project of the National Experimental High School At Kaohsiung Science Park	None
Construction contract	National Land Management Agency, MOI, (Southern Branch Urban Infrastructure Construction)	From signing on January 16, 2025 to completion on May 6, 2027	Overall development of the national sports park and the talent cultivation project (phase 3) & new swimming pool and tennis court in military camp area	None
Construction contract	National Housing and Urban Renewal Center	From contract signing on February 26, 2025 until completion	Turnkey projects of “Xiaoxing Anju C” social housing in Qiaotou District, Kaohsiung City	None

Five. Review and Analysis of Financial Position and Financial Performance and Risks

I. Financial Position

(I) Comparative analysis of financial position – Consolidated

Unit: NTD thousand

Item	Year		Difference	
	2024	2023	Amount	%
Current assets	3,587,763	2,050,594	1,537,169	75
Property, plant and equipment	18,743	99,701	(80,958)	-81
Right-of-use assets	153,271	40,957	112,314	274
Investment property	284,478	-	284,478	100
Other financial assets – non-current	30,935	16,440	14,495	88
Total assets	4,541,161	2,665,823	1,875,338	70
Current liabilities	2,221,123	1,137,623	1,083,500	95
Non-current liabilities	290,319	104,688	185,631	177
Total liabilities	2,511,442	1,242,311	1,269,131	102
Share capital	524,881	424,881	100,000	24
Capital reserve	763,780	338,440	425,340	126
Retained earnings	736,754	667,107	69,647	10
Total equity attributable to owners of the parent company	2,029,719	1,423,512	606,207	43
Total equity	2,029,719	1,423,512	606,207	43

1. The analysis of items with increase or decrease ratio of more than 20% and the change amount of NTD 10 million is as follows:

- (1) The significant changes in current assets, other financial assets – non-current, and current liabilities were mainly due to the increase in contract assets, other financial assets – non-current, and contract liabilities, as a result of the growth in the Company's work-in-progress in 2024.
- (2) The increase in right-of-use assets and non-current liabilities was mainly due to lease of the Golden Dragon Bay area commercial space and nearby space in 2024.
- (3) The change in investment property is mainly due to the purchase of land for investment by the subsidiary.
- (4) The increase in share capital and capital reserve was mainly due to the capital increase in cash in 2024.
- (5) The increase in undistributed earnings was mainly due to the growth of the construction projects in 2024.

2. If the impact is significant, the future countermeasures shall be stated: None.

II. Financial performance

(I) Comparative analysis of financial results – Consolidated

Unit: NTD thousand

Item \ Year	2024	2023	Increase (decrease) amount	Change ratio (%)
Net operating revenue	2,335,467	1,947,532	387,935	20
Operating cost	2,048,232	1,694,708	353,524	21
Gross operating profit	287,235	252,824	34,411	14
Operating expenses	134,637	123,470	11,167	9
Net operating profit (loss)	152,598	129,354	23,244	18
Non-operating income and expenses	43,492	22,514	20,978	93
Net loss before tax	196,090	151,868	44,222	29
Income tax expense (profit)	41,467	9,888	31,579	319
Net income (loss) for the period	154,623	141,980	12,643	9

The analysis of items with increase or decrease ratio of more than 20% and the change amount of NTD 10 million is as follows:

1. The changes in the proportion of net operating revenues, operating costs, and income tax expense were mainly due to the increase in work-in-progress in 2024.
2. The changes in the percentage of non-operating income and expenses were mainly due to the disposal of land, building and equipment by the subsidiary, Tri Ocean Textile (Thailand) Co., Ltd.

(II) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response:

The Company did not issue a financial forecast, so the expected sales volume and basis are not applicable; the Company's overall operation has no major abnormality, so there should be no need to formulate a response plan .

III. Cash flow

(I) Analysis of changes in cash flows in the most recent year

Unit: NTD thousand

Item \ Year	2024	2023	Increase (decrease) change
Net cash inflow from operating activities	288,401	203,909	84,492
Net cash inflows (outflows) from investing activities	(476,725)	316,164	(792,889)
Net cash inflow from financing activities	180,734	14,779	165,955

1. Analysis of changes:
 - (1) Increase in net cash inflow from operating activities: This was mainly due to the increase in the number of construction projects in 2024 and the commencement of construction, resulting in cash inflow from revenues.
 - (2) Increase in net cash inflow from investing activities: This was mainly due to the acquisition of investment properties and the increase in performance bonds and construction tender deposits for ongoing projects.
 - (3) Decrease in net cash inflow from financing activities: This was mainly due to the inflow of capital from cash capital increase in 2024.
2. Remedies for estimated cash shortage and analysis of liquidity: Not applicable

(II) Improvement plan for insufficient liquidity: The Company has sufficient funds and has not encountered any liquidity problems .

(III) Cash flow analysis for the coming year:

Unit: NTD thousand

Beginning balance of cash (1)	Projected net cash flow from operating activities for the entire year (2)	Projected net cash flow from operating activities for the entire year (3)	Estimated cash surplus (shortage) Amount (1) + (2) - (3)	Remedies for projected cash shortfalls to maintain a comparable cash balance
				Financing plan
790,965	260,009	(200,464)	850,510	Not applicable
1. Analysis of changes in cash flows in the coming year: (1) Operating activities: The cash inflow of NTD 260,009 thousand was mainly due to the advance payment of the construction project collected by the owner according to the contract. (2) Cash outflow for the year: Mainly due to the distribution of cash dividends and the impact of loans (repayments).				
2. Remedies for estimated cash shortage and analysis of liquidity: Not applicable				

IV. Effect upon financial operations of any major capital expenditures during the most recent year:

The subsidiary of the Company, Shang-Ting Construction, purchased two sections of land at Yuanzhong Section, Nanzhi District, Kaohsiung City, for investment in August 2024. This was recognized as investment property. The consideration for the acquisition was NTD 284,490 thousand, posing no impact on the Company's financial business.

V. Reinvestment policy in the most recent year, the main reasons for the profit or loss, and the improvement plan and investment plan for the coming year

For the Company's reinvestment in the most recent year, its reinvestment policy, the main reason for its profit or loss, and its improvement plan and investment plan for the next year are as follows:

1. Reinvestment, reinvestment policy, the main reason for its profit or loss, and its improvement plan:

Name of investee	Shareholding ratio (%)	Investee profit (loss) for the current period	Main reason for profit or loss	Improvement plan	Investment plan for the coming year
Tri Ocean Textile (Thailand) Co., Ltd.	100	33,629	Sale of Property, plant and equipment	None	None
Shang-Ting Construction Co., Ltd.	100	65,394	Operating gains recognized	Continue to bid for projects	Active bidding

2. Investment plan for the coming year

The Company's re-investment is mainly based on the strategic planning of business needs. In order to meet the needs of the subsidiary, Shang-Ting Construction, for future expansion, it is estimated that NTD 500,000 thousand will be invested in the subsidiary in 2025. This is to support part of the company's working capital needed for the government's public construction projects. As the construction projects continue to be completed, the overall operation and profit growth will be driven, and the Company will also increase earnings per share and shareholders' equity.

VI. Analysis and assessment of risk matters in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(I) Impacts of changes in interest rates, exchange rates and inflation on the Company's profit and loss, response measures to be taken in the future:

1. Impact of interest rate changes on the Company's profit and loss and the final response measures

The Company's interest expenses for 2024 and 2023 were NTD 9,171 thousand and NTD 17,960 thousand, respectively, accounting for 0.39% and 0.92% of net operating revenues for 2023 and 2022, respectively, and the impact on the Company's profit or loss was insignificant.

Affected by the interest rate hike by banks, the market interest rate increased. However, the Company actively seeks loans from the landlord according to the progress of the project to shorten the financing period, so the interest rate fluctuation should have no significant impact on the Company's income.

2. Impact of exchange rate changes on the Company's profit and loss and the final response measures

The Company's main business is the contracting of public construction projects in Taiwan, so exchange rate fluctuations do not have significant impact .

3. Impact of inflation on the Company's profit and loss and future countermeasures

The construction period of the Company's projects are mostly more than one year. The Company closely observes the fluctuation of market prices and promptly reflects the production cost to the customers. As the Company can apply for price index subsidy for its public construction projects undertaken, the Company can effectively control the impact of inflation on its profitability.

(II) High-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The Company has always adhered to the principle of focusing on its own business and pragmatism. The Company has a prudent and conservative financial policy, and has not engaged in risky or high-leverage investments .

2. As of the publication date of the annual report, in both 2024 and 2023, the Company only provided endorsements/guarantees and loans to subsidiaries within the Group, all within the approved limits. The endorsement/guarantee expired in December 2024, and the loan was fully repaid on January 30, 2024. As of the publication date of the annual report, the Company has not provided any endorsements/guarantees or loans to external parties. In the future, any endorsements/guarantees or loans to others will be handled in accordance with the Company's "Procedures for Making Endorsements/Guarantees" and "Procedures for Loaning of Funds to Others."

3. The Company did not engage in derivative transactions in 2024 and 2023 as of the publication date of the annual report. In the future, the engagement in derivative transactions will be carried out in accordance with the "Procedures for Acquisition or Disposal of Assets" formulated by the Company.

(III) Future R&D plans and expected R&D expenses:

For architectural design and construction, due to the significant changes brought about by the development of AI technology, Chao Chien-Ming Architects & Planners collaborated with Triocean Industrial Group to establish a construction automation team in 2023. They then partnered with the ROSOCOOP Laboratory of the School of Architecture at Feng Chia University to introduce a robotic arm for spraying paint on the ceiling of the Xionggong 3D Parking Lot in Kaohsiung City. The robotic arm for outer wall painting technology is being introduced in the construction project.

(IV) Impact of important domestic and foreign policies and legal changes on the Company's financial operations, and measures to be taken in response:

in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, there was no occurrence of important policies and legal changes at home and abroad that posed an impact on the Company's financial business.

(V) Effect on the company's financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change, and measures to be taken in response:

1. The Company has formulated the specific management plans to strengthen information security as follows:

- (1) Implement the backup software, Veeam and Synology C2 Storage, to ensure the integrity of the information and shorten the recovery time in case of an information attack. Also complete the backup of the 321 mechanism.
- (2) Plan to introduce file protection software to protect the Company's internal important information outflow and risk management.

2. The Company's information quantitative targets are as follows:

- (1) 99.99% of the reporting of, response to and restoration of the Company's key information software after an information security incident were completed within the required time.
- (2) The availability of the Company's cyber system was over 99.99%. (Number of interruption hours/total operating hours \leq 0.01%).
- (3) Training on information security and social engineering (once a year).
- (4) Incidents of unauthorized account access management (\leq 1 case/year).

In order to mitigate the risk over information system shutdown and ensure the continuing operation of the Company's business, the Company has established the access control over the control room and actively notified them through the monitoring equipment to prevent equipment from theft or malicious damage. We also continue to monitor the trend of changes in the information environment, regularly review the information security protection mechanism and solutions, and establish multiple information security protection systems, such as firewalls and email protection, and regularly promote information security related knowledge to enhance the information security awareness of all colleagues.

(VI) Impact of changes in corporate image on corporate crisis management and measures to be taken in response:

The Company complies with relevant laws and regulations, actively strengthens internal management, and improves the quality and performance of management. At the same time, the Company maintains harmonious labor relations and continues to maintain an excellent corporate image . in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, there was no incident that affected the Company's image.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures to be taken in response: The Company did not have mergers and acquisitions in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(VIII) The expected benefits and potential risks of any plant expansion, and measures to be taken in response: The Company did not expand any plant in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(IX) Risks associated with any consolidation of sales or purchasing operations, and measures to be taken in response:

1. Procurement

In terms of outsourcing construction projects, the Company outsources contracts to the most suitable contractors depending on the nature of the projects. The contracts are mainly awarded to the subcontractors due to construction requirements. The purchase targets are dispersed and there is no risk of concentration of procurement .

2. Sales

The Company mainly undertakes public construction projects, and most of the project owners are government agencies, so there is no risk of concentration of sales.

(X) Impacts and risks associated with major transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and countermeasures: None.

(XI) Effect upon and risk to the company associated with any change in governance personnel or top management, and measures to be taken in response:

In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, there were no events or risks associated with any change in governance personnel or top management.

(XII) Litigation or non-litigation matters

List major litigious, non-litigious or administrative disputes that involve any company director, the general manager, any person with actual responsibility, any major shareholder holding a stake of more than 10%, or any subordinate companies and have been concluded by means of a final and unappealable judgment, or are still under litigation; where such a dispute could materially affect shareholders' equity or the prices of the company's securities, disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks and countermeasures: None .

VII. Other important matters : None.

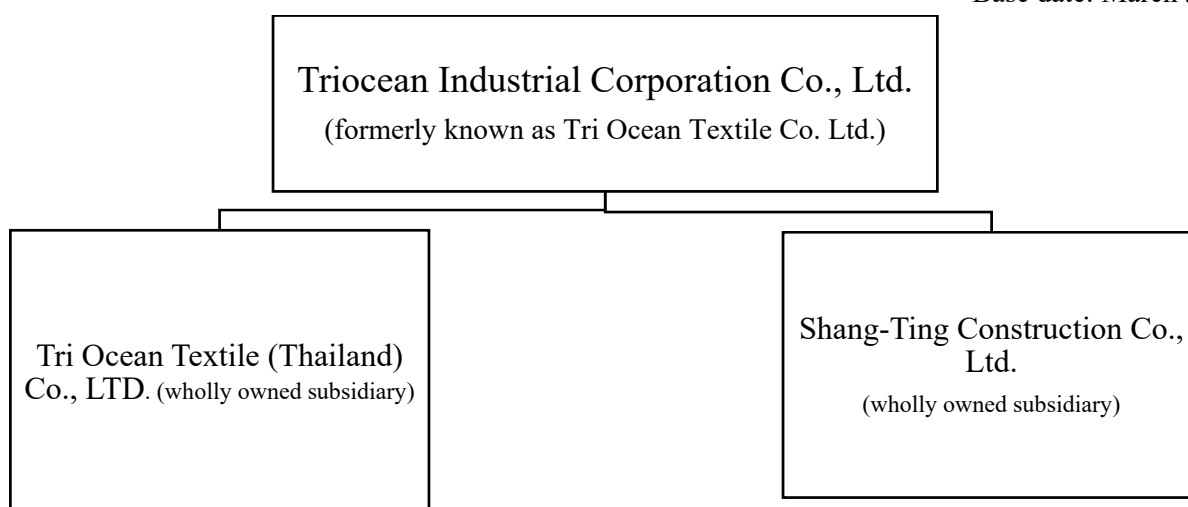
Six. Special Items to Be Included

I. Information on affiliates

(I) Consolidated business report of the affiliate:

1. Organizational chart of affiliates

Base date: March 31, 2025



2. Basic information of affiliates

March 31, 2025

Company name	Date of establishment	Address	Paid-in capital (NTD thousand)	Main business or production scope
Triocean Industrial Corporation Co., Ltd. (formerly known as Tri Ocean Textile Co. Ltd.)	October 17, 1968	No. 360, Jiabao Road, Dashe District, Kaohsiung City	524,881	Comprehensive construction and trading of building materials
Tri Ocean Textile (Thailand) Co., Ltd.	July 4, 2016	Thailand	BAHT 817,250 (TWD 696,469)	Manufacturing, processing and trading of fiber fabrics
Shang-Ting Construction Co., Ltd.	December 11, 2013	No. 360, Jiabao Road, Dashe District, Kaohsiung City	1,500,000	Comprehensive Construction

- Information on the same shareholders presumed to have controlling and affiliation relations: Not applicable
- The industries covered by, and the division of labor of, the overall business of affiliated companies: The Company is mainly engaged in construction and building materials trading. Tri Ocean Textile (Thailand) Co., Ltd. is involved in the weaving and processing of fiber fabrics, and the manufacturing and trading of synthetic fibers and their raw materials. Shang-Ting Construction Co., Ltd. is primarily involved in government construction projects and other construction projects.

5. Information on directors, supervisors, and presidents of affiliated companies

March 31, 2025; Unit: Share; %

Company name	Job title	Name or Representative	Number of shares held	
			Number of shares	Shareholding ratio
Controlling company: Triocean Industrial Corporation Co., Ltd.	Chairman	Hong-Ting Co., Ltd.	16,238,000	30.94%
	Director	Representative: Chiang Yu-Lien		
	Director	Dai Wan Shiung Ching Co., Ltd.	1,069,789	2.04%
	Independent Director	Representative: Hung Kuo-Chin		
	Independent Director	Dai Wan Shiung Ching Co., Ltd.	1,069,789	2.04%
	Independent Director	Representative: Su Cheng-Hui		
	Independent Director	Huang Hao-Chen	-	-
	Independent Director	Huang Lung-Sheng	-	-
	Independent Director	Wang Chien-Chih	-	-
Shang-Ting Construction Co., Ltd.	Chairman	Triocean Industrial Corporation Co., Ltd. Representative: Hsu Cheng-Che	150,000,000	100.00%
Tri Ocean Textile (Thailand) Co., LTD	Chairman	Triocean Industrial Corporation Co., Ltd. Representative: Hsu Cheng-Che	8,172,500	100.00%

6. Operational overview of each affiliated company

December 31, 2024; Unit: NTD Thousand

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Current profit and loss (after tax)	Earnings per share (NTD)
Triocean Industrial Corporation Co., Ltd.	524,881	2,669,398	639,679	2,029,719	431,187	52,904	154,623	3.31
Shang-Ting Construction Co., Ltd.	1,500,000	3,680,534	2,104,509	1,576,025	2,062,528	77,326	65,394	0.44
Tri Ocean Textile (Thailand) Co., LTD	BAHT 937,250 (TWD 813,625)	124,446	5,099	119,347	-	(5,654)	33,629	4.13

Note 1: Triocean Industrial Corporation Co., Ltd. increased its capital by 10,000,000 shares in July 2024.

Note 2: Shang-Ting Construction Co., Ltd. increased its capital by 30,000,000 shares in December 2024.

(II) Representation Letter

REPRESENTATION LETTER

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025, are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, the Company and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TRIOCEAN INDUSTRIAL CORPORATION CO., LTD.

By

Chiang Yu-Lien
Chairman

March 11, 2025

(III) Affiliation Report: Not applicable.

II. Private placement of securities in the most recent year and until the date of publication of the annual report : None.

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year and until the date of publication of the annual report : None.

IV. Other supplementary notes : None.

Seven. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has been reported during the most recent year and until the date of publication of the annual report: None.

TRIOCEAN INDUSTRIAL CORPORATION Co., Ltd.

Chairman : Chiang Yu-Lien



TRIOCEAN INDUSTRIAL CORPORATION CO., LTD.