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Taiwan Wax Company Ltd.

2024

Annual Report

Publication Date: May 2, 2025

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Name of Any Exchange where the Company's Securities are Traded Overseas, and the Method to Access Information on the Overseas Securities

The Company does not issue overseas securities

Company Website

<http://www.wax.com.tw>

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Letter to Shareholders

Dear Shareholders,

We at Taiwan Wax Company would like to express our most sincere gratitude to all shareholders for your long-standing support and recognition.

The global political and economic situation remained turbulent throughout 2024. The ongoing US-China trade tensions and frequent geopolitical conflicts, particularly the unresolved Russia-Ukraine war and tensions in the Middle East, led to dramatic fluctuations in energy prices and hindered supply chain recovery. Additionally, with major economies shifting toward conservative monetary policies, the momentum of global economic recovery remained weak, and the overall macroeconomic environment continued to face high uncertainty.

In this challenging environment, demand in the wax market remained sluggish. Although supply has somewhat contracted, the costs of raw materials and equipment acquisition remained high, creating significant pressure on our operations. Nevertheless, through the concerted efforts of all employees, efficient use of existing resources, and flexible management, the Group's overall operations maintained a stable level of performance.

While facing all upcoming challenges and opportunities, we will remain practical and prudent and strategically implement various business plans, while actively monitoring industry trends and identifying transformation opportunities. We aim to achieve steady progress amid uncertainty and generate higher operational performance.

The following is our company's business status report:

I. Operating Performance in 2024:

(I) Business report implementation result :

1. The total annual production, sales volume, and sales revenue are as follows:

Items	Production Volume (tons)	Sales volume (tones)	Sales value (thousands of NT\$)
Wax Products	3,274	3,286	171,504
Lease income	-	-	27,122
Revenue from sales of optoelectronic equipment	-	-	32,565
Revenue from sales of aquatic products	-	-	
Total	3,274	3,286	231,191

2. Profit and loss: Generated a gross profit of NT\$57,232 thousand and incurred a net profit after tax of NT\$82,715 thousand for the whole year.

(II) Financial income and analysis of profitability:

Financial Income

Unit: NT\$ thousands

Items	2024	2023
Net Cash Inflow (Outflow) from Operating Activities	369,009	355,540
Net Cash Inflow (Outflow) from Investing Activities	1,631,087	(1,485,148)
Net Cash Inflow (Outflow) from Financing Activities	(2,020,599)	1,110,866

Analysis of Profitability

Items	2024	2023
Return on Assets (ROA) (%)	3.80%	2.08%
Return on Equity (%)	6.14%	2.98%
Income Before Tax to Paid-in Capital Ratio (%)	8.93%	4.09%
Net Profit Margin (%)	35.78%	9.77%
After-tax EPS	0.89	0.41

(III) Budget Execution:

Items	Actual figures of 2024 (thousands of \$NT)	Budget figures of 2024 (thousands of \$NT)
Operating revenue	231,191	224,867
Gross Profit (Loss)	57,232	31,353
Operating Income (Loss)	(87,833)	(1,513)
Net Income (Loss) Before Tax	83,544	86,126

Note: Sales of Mainland China seafood will be recognized using the net method for revenue recognition.

II. Business Plan for 2024:

(I) Guideline for management:

In 2025, the global economy will remain in the adjustment phase of the “post-COVID” period. Although most countries have fully reopened and resumed normal life, geopolitical risks continue to escalate, particularly with the prolonged Russia-Ukraine war and intensifying conflicts in the Middle East. These factors have led to ongoing fluctuations in energy and raw material prices. Combined with the lack of significant recovery in global end-user demand and persistent inflationary pressures, the overall economy is experiencing “stagflation”, which is characterized by low growth and high inflation. While markets generally expect global inflation to gradually slow in the second half of 2025, price levels remain relatively high, posing continued challenges to industrial operations and cost structures.

Furthermore, global sustainability trends are accelerating, and ESG (Environmental, Social, and Governance) regulatory requirements are becoming increasingly stringent. Taiwan's Financial Supervisory Commission has announced the “Sustainability Development Roadmap for Listed Companies,” requiring companies with a certain capital size or high carbon emission risks to complete greenhouse gas inventories and disclose greenhouse gas information starting in 2024. Subsequently, third-party verification and mandatory disclosure systems will be gradually implemented. Simultaneously, the Executive Yuan will trial a carbon fee mechanism in the second half of 2024, bringing tangible impacts to corporate carbon emission costs. In response to these trends, the Company has already initiated the following measures:

- Strengthening ESG governance structure and internal sustainability management systems;
- Conducting greenhouse gas emissions inventory and preparing for information disclosure;
- Assessing the impact of carbon fees on process and product costs, and developing low-carbon response strategies;
- Procuring environmentally advantageous raw materials and continuously developing products that meet green process requirements.

Looking ahead to the domestic and international economic situation and regulatory environment changes in 2025, the Company has formulated and will implement the following business directives as response strategies and development priorities based on the aforementioned macroeconomic background: Seek diversification of raw materials and sources, and reduce production costs:

1. Seeking diversification of origins and raw materials to reduce production costs:
As the world was shadowed by “stagflation,” the central bank of some countries adopted the policy of raising interest rates, moderating inflation gradually. However, as a result of the continuing “Russo-Ukrainian War” and

the start of the “Israeli–Palestinian War”, it was relatively difficult to make a rapid economic recovery in the short run.

Such “stagflation” caused sluggish consumption, and China suffered the most, which led to a significant impact on the Company’s procurement of raw materials. Moreover, the wars also brought about shipping delays and increased transportation costs. To reduce risks, our company plans to increase purchase from Southeast Asian countries (Thailand, India, etc.) in 2025 to diversify risks and reduce procurement costs.

There are also a considerable number of wax manufacturers in India, but due to their older production equipment, the wax they produce, while classified as “refined wax” according to general market practices, has an oil content percentage of around 0.7%, which is inferior to our company's products (less than 0.5%) and has low acceptance in international markets.

Our company plans to purchase Indian wax and refine it through our production process to meet the international requirements of “oil content percentage (Oil Content %)” less than 0.5%, thereby reducing our production costs and increasing competitiveness. (The production sites for refined paraffin wax in Asia are South Korea (less refined paraffin wax), Japan (high price), and Taiwan (high-quality and inexpensive).)

2. Enhance R&D capabilities and develop niche products:

Considering that the COVID-19 pandemic has slowed down, in order to stimulate the current sluggish consumption, various countries have proposed their own compensation measures to expand domestic demand, hoping that their people can gradually regain their spending power.

To seize this business opportunity, our company intends to pursue collaboration among industry, government, and academia to create new niche products in personal healthcare and medical aesthetics (such as beauty waxes and cosmetic waxes) as well as casting waxes for the manufacturing industry. This will help us broaden our market with high-profit margins and ramp up production to meet our established business objectives.

3. Streamline production processes and increase production capacity:

In this era of profit squeeze, besides seeking external funding, the other approach is to internalize cost-saving measures. Our company will introduce “big data” analysis technology and use seven quality control techniques (4M/5W2H) to eliminate “bottleneck processes” or “repetitive processes”, making production processes smoother and reducing production costs, thus increasing production capacity.

4. Sales of new products to expand into new markets and clients:

Our company plans to use newly developed niche products to seek out new markets and clients through signing, consignment, or agency sales models. This will increase sales channels, expand the sales market, and achieve the objectives of our business plan.

5. Pursuing Opportunities in the “Zero Carbon Emissions (CO₂)” Market

In recent years, due to the accelerated degree of global warming, all countries have been moving towards the direction of “Zero Carbon Emissions (CO₂).” In addition, our country plans to begin levying a “carbon tax” (NT\$300 per ton) in 2024. Furthermore, to meet the goals of “Zero Carbon Emissions (CO₂)” by 2050 and the government's plan to phase out nuclear power by 2026, our country is actively promoting the “green energy (solar, wind)” policy.

Paraffin wax is an “energy storage” product. It is currently known that it can be used in electric motorcycle batteries, textile apparel, and indoor and outdoor building materials. Using paraffin as a phase change material is now becoming a trend. This is a huge potential business opportunity. It is advisable that the paraffin wax used for textile apparel have a low melting point (approximately below 125F for our company’s products), and a moderate melting point (approximately 135F/140F/145F for our company’s products) for indoor and outdoor building materials.

Therefore, products with a melting point of 125F or below or 135F/140F/145F/180F will be our company’s “niche” products. In addition to expanding production capacity, we will also improve the product form (granular) to meet market demands.

6. In compliance with government regulations, we adopt sustainable business practices:

Since 2015, our company has been reporting annually on our corporate social responsibility (CSR) in publicly available CSR reports. To further actualize sustainable business practices, we will introduce ESG (Environmental, Social, and Governance) in 2023.

In recent years, globalization has driven digital transformation in industries, and the ESG wave has also surged along with it. The sudden outbreak of the COVID-19 pandemic has further awakened companies to the need for immediate change. In 2025, our company plans to combine digital technology with ESG management principles, aiming to create an innovative concept of a “sustainable new economy.” We will assess potential risks to sustainable development and the green economy, rebuild the core essence of corporate operations to strengthen competitiveness, and meet the challenges of the digital transformation era!

Looking to the future, although the COVID-19 pandemic is difficult to eliminate and is still raging globally, it is expected to gradually ease. However, regional conflicts between countries continue to occur and may suppress the world's economic recovery, causing global “stagflation” and weakening consumer purchasing power. With the development and widespread distribution of vaccines, it is believed that countries will gradually lift lockdowns and border controls. Under this circumstance, countries will continue to promote incentive measures that favor market recovery, and the strength of global economic recovery will gradually increase.

In 2025, our company will gradually expand our sales market with new products and strategies. We believe that under our existing management and operational capabilities, with a solid foundation of research and development

and production equipment, as well as the development of new markets and new clients, we have the ability and methods to face future market challenges and problems and advance towards our established goals.

(II) Research and Development Project:

1. Aesthetic medicine :

In the current booming economy and with the increase in living standards, personal consumption has risen, and there is a growing demand for personal appearance and body whitening in Taiwan. The company plans to develop wax products for the medical and beauty industry in response to the demand from biomedical technology companies.

Currently, the depilatory wax used by domestic beauty and biomedical companies are all imported from foreign countries, and the company plans to develop new products such as depilatory wax and cosmetics by using the 125F/180F refined rock wax and other products with different melting points. However, since this product will be used on the human body, it must comply with relevant US FDA regulations and have a smaller particle size. Our company will improve the production process and wax molding technology to meet US FDA standards and meet domestic demand, as well as expand into the “South Korea” region (the largest demand for beauty products in Southeast Asia).

2. Emulsifying Wax (used in egg washing and car wash industry):

In 2023, when there was a shortage of eggs, the Council of Agriculture imported eggs from Brazil. Due to poor transportation and storage conditions, millions of eggs were scrapped before they were put on the market, causing frequent “food safety” issues.

As domestic requirements for food quality and safety continue to rise, although the government's original plan to implement a “comprehensive egg washing” policy in 2020 was postponed, the practice of printing traceability codes on individual eggs will continue to be promoted. “We hope that in the future, eggs entering the market will be 100% cleaned and printed with traceability information.” Additionally, when the Food and Drug Administration formulated the “Good Hygiene Practices for Liquid Egg Product Manufacturers,” it specified that eggs must be washed and selected before being made into liquid egg products (for steamed eggs, baking, etc.). Therefore, comprehensive “egg washing and selection” is inevitable.

“Selected eggs” are eggs that have been washed with water, but because the protective layer (calcium carbonate) of the eggshell is washed away during the process, the eggs are not easily stored and are prone to spoilage if not protected. The product that provides the protection is “emulsifying wax,” which is refined paraffin wax that has been emulsified into a liquid state. Each egg is coated with emulsifying wax, forming a thin protective layer on the surface of the egg, which can extend the shelf life of the egg by about 10 days (as seen in the selected eggs sold in the market).

Currently, all the emulsifying wax used for “selected eggs” in Taiwan is imported, and there is no domestically produced product. The Company is the only domestic manufacturer of refined paraffin wax, but lacks the “emulsifying mixing equipment.” In this case, we will first collaborate with research institutions and academic organizations to jointly develop the product formula, and then seek cooperation with domestic manufacturers for production. Subsequently, we will gradually establish its own production capacity.

Moreover, the newly developed “emulsification technology” can be applied and expanded in new products and markets (such as car wash wax, shampoo, dishwashing liquid, and textile products), providing a foundation for the company's development of niche products in the future.

3. Investment Casting wax:

Industrial metal components (including models) for production are all made using the “lost wax casting”, which is the first step in making molds. The required metal raw materials are heated to high temperatures and melted before being poured into the mold to produce metal components, which is called investment casting.

Investment casting wax can currently be divided into three types: iron casting, stainless steel casting, and tungsten steel casting (high precision). Among them, iron casting has a large demand and lower precision requirements, making it the basic threshold for entering the investment casting industry.

Investment casting wax requires stable “volume shrinkage rate” (to maintain casting dimensions). Currently, some iron casting investment casting wax (green wax) samples will seek domestic scientific research or academic units to analyze the formula for subsequent production needs.

(III) Production plan:

With the annual operational plan as the goal and the objective of meeting sales demand, we will utilize big data analysis and apply the seven quality control methods to eliminate “bottlenecks” or “redundant processes” in order to streamline the production process, reduce production costs, and increase production output.

(IV) Sales plan :

The projected sales volume of finished wax products for the entire year of 2025 is 2,100 metric tons, increasing by 200 metric tons (10.5%) from the 1,900 metric tons in 2024. The overview is as follows:

(1) New Product Development and Sales:

Sales of new products developed in conjunction with R&D:

A. Wax for aesthetic medicine :

After completing the development of hair removal wax and cosmetic wax, in addition to selling domestically (beauty and skincare industry), it is planned to be sold to the Korean market through existing dealers or traders. It is expected to sell 80 metric tons (10 metric tons domestically and 50 metric tons internationally).

B. Emulsifying Wax:

After completing the development of emulsifying wax, it is expected to be sold domestically (Chinyie Eggs, Ruimu Foods, Dachan Foods, CP Foods, etc.), with a forecasted sales volume of 70 metric tons.

(2) Market Maintenance:

Maintaining good cooperative relationships with existing customers, providing customized products and technical support.

Strengthening after-sales service to enhance customer loyalty. In the challenging overall business environment, our company's financial resources and scale far exceed those of our competitors. Combined with Taiwan Wax's consistent maintenance of high quality and stable supply capabilities, we continue to grow steadily in existing markets. Simultaneously, we are actively developing products for emerging industries and new applications, and will expand market penetration in conjunction with R&D achievements to explore new application fields.

(3) Market Expansion:

- A. Focusing on high value-added products, entering niche markets such as medical aesthetics and specialty chemicals.
- B. Actively developing overseas markets, participating in international exhibitions and technical exchanges.
- C. Collaborating with distributors to expand sales channels and increase brand influence.

D. New Market Development:

1. India Market:

The population of India has grown significantly in recent years, with a population close to surpassing the 1.4 billion of mainland China. In addition, India has gradually become the second “manufacturing powerhouse” in the world, and its industries are thriving.

There are also a considerable number of wax manufacturers in India, but due to their older production equipment, the wax they produce, while classified as “refined wax” according to general market practices, has an oil content percentage of around 0.7%, which is inferior to our company's products (less than 0.5%) and has low acceptance in international markets. Our company will collaborate with existing distributors, traders, and others to take advantage of this opportunity to expand into the Indian market and increase sales.

2. North American Market:

Our refined paraffin wax products, in addition to meeting the specifications for refined paraffin wax, are also sent to US laboratories for inspection and can meet the requirements of the US Food and Drug Administration (FDA). We will use the new product that meets FDA requirements (hair removal wax) to develop high-priced markets such as Europe and America, which are popular for hair removal. By entering these markets with “quality and safety” and “value for money”

products, we can increase sales and product gross margins in this high-profit industry.

3. European Market:

Our company used to have distributors selling to the European market (UK, Germany), but most of the products were “Footoil” with few “refined paraffin wax”.

Now, due to stricter EU regulations on product quality and safety, products must meet REACH/RoHS or “halogen-free” requirements. Our wax can meet REACH/RoHS or “halogen-free” requirements, and most of them can also meet US FDA regulations. The sales department will use this advantage to seek traders to sell our products to the EU and other countries.

III. Impact of external competition, regulatory environment, and macroeconomic environment on wax products:

(I) Wax Market:

China is the world’s largest producer and exporter of wax products. However, since the outbreak of COVID-19 in 2022, many countries have been affected, especially in mainland China where lockdown and zero-tolerance measures have caused a shortage of production workers, decreased productivity, and a sudden decrease in wax product output. This has also led to a shortage of raw materials and supply chain disruption. In addition, the ongoing Russia–Ukraine war has resulted in a sudden surge in international raw material prices, increasing production costs.

In 2024, although the pandemic situation eased and the global economy gradually recovered, due to the ongoing Russia–Ukraine war and the Israeli–Palestinian War, the Red Sea was listed as a dangerous shipping lane, causing the international supply of raw materials to remain scarce, leading to high production costs and higher wax product prices, resulting in a sluggish market demand. In response to this situation, our company not only maintains its consistent high-quality products and timely client service in 2025, but also actively develops special-purpose waxes for the chemical, paper, and biomedical and beauty industries to expand our market and increase our revenue.

(II) Our company's refined paraffin wax products adhere to the principles of stable quality, on-time delivery, and service guarantee, earning us a good reputation and establishing the “Taiwan Wax” brand, which has a clear difference from low-priced Chinese waxes in the international market. In particular, our products have completed the EU REACH registration and comply with high-quality certification standards and management systems such as ISO, RoHS, and USFDA. Particularly our Taiwan Wax products meet US FDA regulations, allowing us to maintain a position in the competitive wax market.

(III) Looking ahead to the global macroeconomic environment in 2025, the overall economic situation remains quite challenging despite the environment being full of instability. Our entire workforce will uphold the spirit of striving for excellence and

work towards achieving our various planned objectives to repay our shareholders' support.

IV. The company's future development strategy:

(I) Wax Business:

Through the reintegration of R&D, production, marketing, and human resources, the efficiency will be improved and the goals of cost reduction and energy conservation and carbon reduction will be achieved, making the product more competitive and stable in the market. In addition to serving and consolidating existing clients, we will actively expand new client sources and new products. Through pragmatic marketing methods and strict quality control requirements, we aim to achieve stable profits.

In the current international and domestic policy environment, "green energy" is required, and paraffin wax is an energy storage product that is essential for textiles, construction, and automotive industries (batteries). It will use the energy of production, government, academia, and research to develop corresponding products and seize this business opportunity.

(II) Expanding business territory:

The Company has been actively planning a blueprint for new business development for the past five years, which has now begun to show initial results. At the current stage, the aquaculture and solar energy businesses have become new pillars of operational momentum.

Among these, the aquaculture business experienced a decline in revenue in 2022 due to strict lockdowns in Shanghai affecting market demand. However, as China fully lifted its pandemic restrictions in 2023, market demand gradually recovered. It is expected that overall operations in 2024 will return to pre-pandemic levels, and revenue is anticipated to rebound and grow. To strengthen local operations and service capabilities, the Company has established a 100% owned subsidiary in Shanghai, actively cultivating the local market and deepening customer relationships and channel foundations.

The solar energy business continues to grow steadily. Implementing a green energy policy is a current government priority and a key pillar for corporate sustainable development. Recognizing the energy transition trend of the present and future, the Company has actively invested in power development and renewable energy projects. Solar power plants have been completed in Chiayi, Changhua, and Zhongli, with electricity being sold to the grid, creating a stable source of income. Moving forward, we will continue to expand the new energy market through cooperative investments and system sales, covering all aspects from initial planning and design, application review, engineering construction, to subsequent maintenance and management. All these services are handled by our professional team, ensuring comprehensive control over project quality and progress, with the aim of establishing core competitive advantages in the green energy industry.

Currently, the three major business units of wax products, aquaculture, and solar energy constitute the core of our company's operations. We will use this as our

foundation to continue deepening our expertise, expanding our scale, and actively exploring diverse business opportunities to gradually expand the group's reach.

Finally, we would like to express our most sincere gratitude to all shareholders and investors for your long-term support and trust in Taiwan Wax Company, and for your encouragement and expectations regarding our operational results. We also thank our board members and independent directors for their careful guidance and valuable suggestions, as well as all our partners for their close cooperation and strong support. Furthermore, we are grateful to all our colleagues for their persistence and hard work, which allow the company to grow steadily and continuously improve.

Looking ahead, the Company will continue to uphold the spirit of “diligence, pragmatism, innovation, and change,” remain dedicated to enhancing operational performance and core values, move toward the goal of sustainable development, and share achievements and glory with all shareholders.

Wishing you good health and success in all your endeavors. Sincerely,

Chairman

Company governance report

One. Information on Directors, General Manager, Managers, Senior Managers, Department Heads, and Branch Managers

I. Director's information:

Directors' Information (I)

April 5, 2025

Title	Nation ality	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relations hips
Chairman	ROC	Yililong Investment Co., Ltd. Representative: Je-Yin Lin	Male 60~69	2022.06.21	3	2014.06.17	2,610,000 -	3.20% -	8,932,304 1,435,641	9.55% 1.53%	0 0	0% 0%	0 0	0% 0%	Ching Yun University	None	Represent ative Director of Yililong Investment Co., Ltd.	Zi-Jun Lin	Father and daughter
Vice Chairman	ROC	Yuan Jin Co., Ltd. Representative: Wen-Zhe Lin	Male 50~59	2022.06.21	3	2016.11.02	6,741,243 -	8.27% -	14,621,719 -	15.63% 0%	0 0	0% 0%	0 0	0% 0%	Taipei Jinwen High School	President, Homa Union Group Co., Ltd. President, Homa Fresh Seafood Co., Ltd.	None	None	None
Director	ROC	Yililong Investment Co., Ltd. Representative: Zi-Jun Lin	Female 30~39	2022.06.21	3	2019.06.25	2,610,000 -	3.02% -	8,932,304 1,148,880	9.55% 1.24%	0 0	0% 0%	0 0	0% 0%	Indiana University	Chairman, Yuan Jin Co. Chairman, Gong Che Yan Fresh Seafood Co., Ltd Independent Director, Daily Polymer Corp.	Represent ative Director of Yililong Investment Co., Ltd.	Je-Yin Lin	Father and daughter
Director	ROC	Yuan Jin Co., Ltd. Representative: Jiu-Jeng Lee	Male 50~59	2022.06.21	3	2016.11.02	6,741,243 -	8.27% -	14,621,719 243,171	15.63% 0.26%	0 0	0% 0%	0 0	0% 0%	Natinal Defense Medical Center	Director, Ensure Global Corp., LTD	None	None	None
Director	ROC	Yuan Jin Co., Ltd. Representative: Sen-Xiang Chiu	Male 60~69	2022.06.21	3	2019.06.25	6,741,243 -	7.21% -	14,621,719 -	15.63% 0%	0 0	0% 0%	0 0	0% 0%	Institute of Accounting, Chung Yuan University	Adjunct Lecturer, Chung Yuan Unviersity	None	None	None
Director	ROC	Yuan Jin Co., Ltd. Representative: Yang-Zheng Lu	Male 50~59	2022.06.21	3	2014.06.17	6,741,243 -	7.21% -	14,621,719 -	15.63% 0%	0 0	0% 0%	0 0	0% 0%	Ph.D., Financial Management Group, Institute of Management Science, Chiao Tung Univeristy Director of the Department of Finance and Research Ming Chuan University	Independent Director, EnTrust Securities Co., Limited	None	None	None
Independent Director	ROC	Man-Sheng Huang	Male 70~79	2022.06.21	3	2019.06.25	0	0%	0	0%	0	0%	0	0%	College of Business Administration, Soochow University GM, Bank of Kaohsiung	Independent, Visual Photonics Epitaxy Co., Ltd	None	None	None

Title	Nation ality	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relations hips
Independent Director	ROC	Zhao-Wei Pan	Male 40~49	2022.06.21	3	2014.06.17	0	0%	0	0%	0	0%	0	0%	College of Law, National Taiwan University	Lawyer, Mega Trust International Law Offices	None	None	None
Independent Director	ROC	Zong-Yi Chen	Male 30~39	2022.06.21	3	2022.06.21	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, St. John's Univeristy	Chairman, Chien Yeu Enterprise Co., Ltd.; Independent Director, NewSoft Technology Corporation	None	None	None

Table I: Major shareholders of the institutional shareholders

April 5, 2025

Name of Insitutional Shareholders	Major Shareholders
E-Long Investment Co.	Zi-Jun Lin(35%) 、Jia-An Lin(35%) 、Yi Lien(15%) 、Qiu-Xiang Lin(15%)
Yuanjin Co.	Je-Yin Lin(46.12%)

Table II: Substantial shareholders in Table I who are legal entities: None

Directors' Information (II)

I. Professional qualifications and independence analysis of directors:

Criteria Name	Professional qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yililong Investment Co., Ltd. Representative: Je-Yin Lin	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: GM, Lian Quan Investment Enterprise Co.; Independent director, Taiwan Commerce Development Corporation	(5), (6)	None
Yuan Jin Co., Ltd. Representative: Wen-Zhe Lin	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: President, Homa Union Group Co., LTd, President, Homa Fresh Seafood Co., LTD	(1), (3), (4), (5), (6)	None
Yililong Investment Co., Ltd. Representative: Zi-Jun Lin	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: Chairman, Yuan Jin Co.; Chairman, Gong Che Yan Fresh Seafood Co., LTD; Independent Director, Daily Polymer Corp.	(3), (5), (6)	1
Yuan Jin Co., Ltd. Representative: Jiu-Jeng Lee	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: Director, Ensure Global Corp., Ltd.	(1), (3), (4), (5), (6)	None
Yuan Jin Co., Ltd. Representative: Sen Xiang Chiu	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: Adjunct Lecturer, Chung Yuan University	(1), (3), (4), (5), (6)	None
Yuan Jin Co., Ltd. Representative: Yang-Zheng Lu	1. Lecturer or above in business, law, finance, accounting or related disciplines required by the company's business in public and private colleges and universities 2. Working experience: Professor, Department of Finance and Finance, Ming Chuan University, and Executive Director, Center for Financial and Financial Studies; Independent Director, Hua Nan Securities Co., Ltd	(1), (2), (3), (4), (5), (6)	1
Man-Sheng Huang	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: Independent, Visual Photonics Epitaxy Co., Ltd	(1), (2), (3), (4), (5), (6)	1
Zhao-Wei Pan	1. Legal professionals such as judges, prosecutors, lawyers, accountants, or other specialized professionals who have passed national examinations required for corporate business. 2. Working experience: Lawyer, Grand Trust International Law offices; Lawyer, Mega Trust International Law Offices	(1), (2), (3), (4), (5), (6)	None
Zong-Yi Chen	1. Working experience in business, legal, finance, accounting or company business 2. Experience: Chairman, Chien Yeu Enterprise Co., Ltd.; Independent Director, NewSoft Technology Corporation; Independent Director, United Fiber Optic Communication Inc.; Independent Director, Shenghua Entertainment Communication Co Ltd.; Chairman, Dai Wan Shiung Ching Co., Ltd.; Institutional Director Representative, Pontex Polyblend Co., Ltd.; General Manager, Yuan Sheng Industrial Co., Ltd.	(1), (3), (5), (6)	1

Note 1: None of the directors have any of the circumstances listed in Article 30 of the Company Act.

Note 2: The independent situation includes the following:

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates.
- (3) Not a natural person shareholder who, together with their spouse, minor children, or shares held in the name of others, holds more than 1% of the total shares issued by the Company or is among the top ten shareholders.
- (4) Not a spouse, blood relative within the second degree, or lineal relative within the third degree of any person listed in the preceding three sub paragraphs.
- (5) Not a director, supervisor, or employee of a company that has a specific relationship with the Company.
- (6) Has not received any remuneration for providing legal, financial, accounting or other services to the Company or its affiliates in the past two years.

II. Board Diversity and Independence:

- (I) **Board Diversity:** The Board of Directors of the Company consists of six directors and three independent directors. Currently, there is only one female director (including independent directors). We plan to actively seek suitable female director candidates during the comprehensive board re-election in 2025 to increase the number of female directors.

The members of the Board of Directors are composed of experts in various fields such as industry, finance and accounting, law, etc. In order to achieve the ideal goal of corporate governance, the overall ability and implementation of the Board of Directors are as shown in the table below:

the ideal goal of corporate governance, the overall ability and implementation of the Board of Directors are as shown in the table below:

Name	Diversified Core	Basic Composition				Capability that Meets Requirements								
		Nationality	With Employee Status	Gender Age	Independent Director Length of Service		Judgment of Operations	Accounting and Financial Analysis Ability	Management and Operational Ability	Crisis Management Ability	Industry Knowledge	International Market Outlook	Leadership Ability	Decision Making Ability
					>3 years	<3 years								
Yililong Investment Co., Ltd. Representative: Je-Yin Lin		ROC	V	Male 60~69			V	V	V	V	V	V	V	V
Yuan Jin Co., Ltd. Representative: Wen-Zhe Lin		ROC		Male 50~59			V		V	V	V	V	V	V
Yililong Investment Co., Ltd. Representative: Zi-Jun Lin		ROC	V	Female 30~39			V	V	V	V	V	V	V	V
Yuan Jin Co., Ltd. Representative: Jiu-Jeng Lee		ROC		Male 50~59			V		V	V		V	V	
Yuan Jin Co., Ltd. Representative: Sen-Xiang Chiu		ROC		Male 50~59			V	V	V	V		V	V	
Yuan Jin Co., Ltd. Representative: Yang-Zheng Lu		ROC		Male 50~59			V	V	V	V	V	V	V	V
Man-Sheng Huang		ROC		Male 70~79		V	V	V	V	V		V		
Zhao-Wei Pan		ROC		Male 40~49		V	V		V	V	V	V	V	V
Zong-Yi Chen		ROC		Male 30~39	V		V		V	V		V		V

- (II) Board Independence: The Company has a total of 9 directors, including 3 independent directors, accounting for 33% of the total. The independent directors do not have any circumstances as stipulated in Article 26-3, paragraph 3, and paragraph 4 of the Securities and Exchange Act. Among the directors of the Company, 2 directors (Je-Yin Lin and Zi-Jun Lin) have a second-degree relative relationship as father and daughter.

III. Information on GM, deputy-GM, associate manager and the Management team

April 5, 2025

Title	Nationality	Name	Gender	Inauguration Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remarks
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationships	
Deputy- GM	ROC	Zi-Jun Lin	Female	2023.01.12	1,148,880	1.24%	0	0%	0	0%	Indiana University	Chairman, Yuan Jin Co. Chairman, Gong Che Yan Fresh Seafood Co., Ltd Independent Director, Daily Polymer Corp.	Yililong Investment Co., Ltd. Directpr representative	Je-Yin Lin	Father and daughter	
CFO	ROC	Po-Yao Tseng	Male	2022.11.03	0	0%	0	0%	0	0%	Graduate School of Accounting, Yunlin University of Science and Technology Certified Public Accountants Examination Manager, PWC	None	None	None	None	

Two. Remuneration of Directors, General Manager, and Managers in the Most Recent Year:

(I) Remuneration of Directors (including independent directors)

Unit: NT\$ thousands

Title	Name	Director remuneration								Ratio of Total Remuneration (A+B+C+D) to Net income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company	
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)							
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements		
																Amount of Cash Dividends	Amount of Stock Dividends	Amount of Cash Dividends	Amount of Stock Dividends				
Chairman	Yililong Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Je-Yin Lin (Note 1)	0	0	0	0	0	0	120	120	120 0.15	120 0.15	2,544	2,544	0	0	0	0	0	0	0	2,664 3.22	2,664 3.22	None
Director	Yililong Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Zi-Jun Lin	0	0	0	0	0	0	120	120	120 0.15	120 0.15	1,540	1,540	95	95	0	0	0	0	0	1,755 2.12	1,755 2.12	None
Vice Chairman	Yuan Jin Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Wen-Zhe Lin	0	0	0	0	0	0	110	110	110 0.13	110 0.13	0	0	0	0	0	0	0	0	0	110 0.13	110 0.13	None
Director	Yuan Jin Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Jiu-Jeng Lee	0	0	0	0	0	0	110	110	110 0.13	110 0.13	0	0	0	0	0	0	0	0	0	110 0.13	110 0.13	None
	Representative: Sen-Xiang Chiu	0	0	0	0	0	0	60	60	60 0.07	60 0.07	0	0	0	0	0	0	0	0	0	60 0.07	60 0.07	None
	Representative: Yang-Zheng Lu	0	0	0	0	0	0	110	110	110 0.13	110 0.13	0	0	0	0	0	0	0	0	0	110 0.13	110 0.13	None
Independent Director	Man-Sheng Huang	0	0	0	0	0	0	120	120	120 0.15	120 0.15	0	0	0	0	0	0	0	0	0	120 0.15	120 0.15	None
Independent Director	Zong-Yi Chen	0	0	0	0	0	0	150	150	150 0.18	150 0.18	0	0	0	0	0	0	0	0	0	150 0.18	150 0.18	None
Independent Director	Zhao-Wei Pan	0	0	0	0	0	0	150	150	150 0.18	150 0.18	0	0	0	0	0	0	0	0	0	150 0.18	150 0.18	None

Note 1: Company vehicle driver was paid with NT\$556 thousand as salary.

Range of Remuneration

Remuneration Range for Each Director of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu
NT\$1,000,000 ~ NT\$1,999,999	Zi-Jun Lin	Zi-Jun Lin	Zi-Jun Lin	Zi-Jun Lin
NT\$2,000,000 ~ NT\$3,499,999	Je-Yin Lin	Je-Yin Lin	Je-Yin Lin	Je-Yin Lin
NT\$3,500,000 ~ NT\$4,999,999				
NT\$5,000,000 ~ NT\$9,999,999				
NT\$10,000,000 ~ NT\$14,999,999				
NT\$15,000,000 ~ NT\$29,999,999				
NT\$30,000,000 ~ NT\$49,999,999				
NT\$50,000,000 ~ NT\$99,999,999				
Greater than or equal to NT\$100,000,000				
Total	9	9	9	9

(II) Remuneration of General Manager and Managers

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonus and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Amount of Cash Dividends	Amount of Stock Dividends	Amount of Cash Dividends	Amount of Stock Dividends			
Deputy- GM	Zi-Jun Lin	1,504	1,504	95	95	36	36	0	0	0	0	1,635 1.98	1,635 1.98	None
CFO	Po-Yao Tseng	930	930	60	60	426	426	0	0	0	0	1,416 1.71	1,416 1.71	None

Range of Remuneration

Remuneration Range for Each General Manage and Deputy General Manager of the Company	Name of General Manager and Deputy General Manager	
	The Company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000		
NT\$1,000,000 ~ NT\$1,999,999	Zi-Jun Lin, Po-Yao Tseng	Zi-Jun Lin, Po-Yao Tseng
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999		
NT\$5,000,000 ~ NT\$9,999,999		
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999		
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
Greater than or equal to NT\$100,000,000		
Total	2	2

(III) Managerial officers with the top five highest remuneration amounts in the Company

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements	
								Cash	Amount of Stock	Cash	Amount of Stock			
Chairman	Je-Yin Lin	2,511	2,511	0	0	0	0	0	0	0	0	2,511 3.04	2,511 3.04	None
Deputy- GM	Zi-Jun Lin	1,504	1,504	95	95	36	36	0	0	0	0	1,635 1.98	1,635 1.98	None
CFO	Po-Yao Tseng	930	930	60	60	426	426	0	0	0	0	1,416 1.71	1,416 1.71	None

(IV) Manager names and allocation status for the 2024 fiscal year employee remuneration distribution.

Unit: NT\$ thousands

	Title	Name	Amount of Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman	Je-Yin Lin	0	391	391	0
	Deputy- GM	Zi-Jun Lin				
	CFO	Po-Yao Tseng				

IV. Analysis of the ratio of total remuneration paid to directors, supervisors, general managers, and managers by this company and all consolidated companies in the past two fiscal years as a percentage of the after-tax net income, and an explanation of the policy, standards, and composition of remuneration, the procedures for determining remuneration, and the correlation with operating performance:

- (I) The analysis of the ratio of total remuneration paid to directors, supervisors, general managers, and managers as a percentage of after-tax net income is shown in the following table, and all related payments are processed in accordance with the regulations of this company.

Unit: NT\$ thousands

Position \ Year	2024		2023	
	Total Remuneration	% of After-tax Net Income	Total Remuneration	% of After-tax Net Income
Director	1,055	1.28%	860	2.25%
GM and Managers	5,594	6.76%	6,519	17.02%

- (II) The policy, standards and composition of remuneration, procedures for determining remuneration, and the correlation with operating performance and future risks of remunerating directors, supervisors, general managers, and managers: Directors and supervisors only receive transportation allowances; the salaries of general managers and managers are determined based on industry standards, and the payment of bonuses is subject to the company's earnings and performance.

Three. Implementation of Company Governance

I. Operations of the Board of Directors

(1) Information on the Operations of the Board of Directors

A total of 4 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Title	Name		Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Chairman	Yililong Investment Co., Ltd. Representative: Je-Yin Lin		4	4	100%	
Director	Yuan Jin Co., Ltd.	Wen-Zhe Lin	4	4	100%	
		Jiu-Jeng Lee	4	4	100%	
		Sen-Xiang Chiu	4	4	100%	
		Yang-Zheng Lu	3	1	75%	
Director	Yililong Investment Co., Ltd. Representative: Zi-Jun Lin		4	4	100%	
Independent Director	Zong-Yi Chen		3	1	75%	
Independent Director	Man-Sheng Huang		4	4	100%	
Independent Director	Zhao-Wei Pan		4	4	100%	

Other mentionable items:

- I. Matters listed in Article 14-3 of the Securities and Exchange Act, as well as decisions of the board of directors on which independent directors have expressed opposition or reservation with records or written statements, should specify the date and period of the board meeting, the content of the proposal, the opinions of all independent directors, and the company's handling of the independent directors' opinions: None.
- II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
- III. Evaluation of the goals to strengthen the functions of the board of directors in the current year and the most recent year (such as setting up an audit committee, enhancing information transparency, etc.) and the implementation status:
 - (1) Strengthening of functions:
 - a. The Company has established "Procedural Rules of the Meeting of the Board of Directors," and the operation of the board of directors follows these rules.
 - (2) Enhancing information transparency: The Company has a spokesperson, and there is a dedicated person responsible for disclosing public information and maintaining the official website.

(2) Implementation Status of Board Evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluation results
Once a year	January 1, 2024 to December 31, 2024	Board of Directors	Internal Self-Evaluation of the Board of Directors	1. Degree of participation in company operations. 2. Enhancing the quality of board decisions. 3. Board composition and structure. 4. Director selection and continuing education. 5. Internal control.	The overall self-evaluation result of the board of directors' performance is "excellent".
		Functional Members	Internal Self-Evaluation of Each Functional Committee	1. Degree of participation in company operations. 2. Awareness of the Responsibilities of Functional Committees 3. Improving the decision-making quality of Functional Members 4. Composition of functional committees and member selection. 5. Internal control.	The self-evaluation results of the compensation committee and the audit committee are "excellent".
		Individual Board Members	Self-Evaluation by Directors	1. Mastery of company goals and missions. 2. Awareness of Directors' Responsibilities 3. Degree of participation in company operations. 4. Internal relationship management and communication. 5. Director's expertise and continuing education. 6. Internal control.	The self-evaluation results of board members' performance are in the range of "good" to "excellent".

II. Operation of the Audit Committee or the participation of the Supervisor in the operation of the Board of Directors:

1. Operations of the Audit Committee

A total of 3 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Independent Director	Zong-Yi Chen	3	1	75%	
Independent Director	Man-Sheng Huang	4	0	100%	
Independent Director	Zhao-Wei Pan	4	0	100%	

Other mentionable items:

I. If any of the following situations exist in the operation of the Audit Committee, the minutes shall include the date, period, agenda, any objections or reservations by independent directors, significant recommendations, the resolution of the Audit Committee, and the company's response to the opinions of the Audit Committee.

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

(II) Other resolutions that have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors: None.

II. The execution status of independent directors' recusal from interested party transactions: None.

III. Communication between independent directors, internal audit personnel, and accountants: Please refer to our company website at <https://www.wax.com.tw>

III. Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles:

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	N	Abstract Explanation	
I. I. Does the company establish and disclose the Corporate Governance Best- Practice Principles based on Corporate Governance Best-Practice Principles for the Company?	V		The Company has established its corporate governance guidelines in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and disclosed them on the Market Observation Post System and the Company's website.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure & shareholders’ rights				
(I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(I) The Company has established a speech system, which is responsible for handling issues related to shareholder suggestions, doubts, disputes, and other related issues.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(II) The Company has established a stock affairs unit and a stock agency to be able to identify the actual controllers of the Company's major shareholders and the final control list of the Company's major shareholders, and to regularly report changes in shareholdings of directors, supervisors, managers, and shareholders holding more than 10% of shares in accordance with the regulations.	
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) The Company has established measures to control transactions with related parties of affiliated enterprises, endorsements and guarantees, and funding loans. In addition, in accordance with Article 3 of the “Practical Guidelines for Corporate Governance of Listed and OTC Companies,” the Company encourages its subsidiaries to establish internal control systems and regularly reviews the design and implementation of the systems to ensure their effectiveness in response to internal and external changes.	
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		(IV) The company has established internal operating procedures for handling major information and standardized internal operating procedures for keeping major information confidential to avoid improper leakage of information and strengthen the prevention of insider trading.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	N	Abstract Explanation	
III. Composition and Responsibilities of the Board of Directors				
(I) Does the Board develop and implement a diversified policy for the composition of its members?	Y		(I) When considering candidates, the company considers the diversity of the Board of Directors' members in various professional fields and objectively evaluates the conditions to ensure diversity.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	Y		(II) The company has established a "Compensation and Remuneration Committee" and an "Audit Committee" in accordance with legal regulations and will establish other functional committees in the future as required by laws or practices.	
(III) Has the company established a method for evaluating the performance of the Board of Directors and its evaluation criteria, conducted performance evaluations annually and regularly, reported the results of the performance evaluations to the Board of Directors, and applied them to the individual director's compensation and nomination for reappointment?	Y		(III) The Company has established the "Board of Directors Performance Evaluation Measures", which are implemented once a year to evaluate the overall performance of the board of directors, individual directors, and functional committees, in order to improve the overall performance of the board of directors.	
(IV) Does the company regularly evaluate the independence of the audit accountants?	Y		(IV) The Company annually requires its certified public accountants to provide an independence statement and audit quality indicators, and then report the results to the Audit Committee and the Board of Directors for approval. Please refer to the notes for the CPA independence evaluation criteria.	
IV. Does the listed company have an adequate number of corporate governance personnel with appropriate qualifications, which includes but not limits to provide the furnishing information required for business execution by directors and supervisors, assist directors and supervisors with legal compliance, handle matters relating to board meetings and shareholders meetings according to laws, and produce minutes of board meetings and shareholders meetings?	Y		To implement corporate governance and safeguard shareholder rights, the company has appointed Zi-Jun Lin as the Deputy-GM in charge of corporate governance, as decided by the Board of Directors on March 21, 2023. Zi-Jun Lin will serve as the top executive responsible for corporate governance-related matters, and will receive direct reports from the shareholder services personnel. With over 3 years of experience in managing financial, shareholder, and procedural matters in publicly traded companies.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	N	Abstract Explanation	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, clients, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		(I) The company has corresponding windows for business management and operation projects. Stakeholders can make good use of the “Market Observation Post System” to understand relevant information about the company and communicate through the company’s spokesperson/representative smoothly. (II) In addition to setting up a spokesperson system for external communication, the company has also set up an email address for reporting and complaints.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The company has appointed Concord Securities Co., Ltd Shareholder Services Department to handle shareholder meeting affairs.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VII. Information Disclosure				
(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(I) The company has established a website: www.wax.com.tw, which is maintained and discloses relevant information by relevant departments.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(II) The company has established a spokesperson system and relevant departments regularly and irregularly declare various related information on the Public Information Observation Station, and publish significant news according to relevant regulations.	
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	(III) The company announces its annual financial report (within three months), first, second, and third quarterly financial reports (within 45 days), and monthly operating status (before the 10th of each month) in accordance with Article 36 of the Securities Exchange Act. Due to considering group consolidation, the annual financial report cannot be announced and reported within two months after the end of the accounting year.	
VIII. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management	V		(I) Employee benefits and employee care: The company regards employees as the greatest asset and has a complete plan for employee welfare and work benefits. In addition to establishing an Employee Welfare Committee, it also has a sound education and training system, health care, and restaurant services to provide comprehensive welfare for work and life.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	N	Abstract Explanation	
policies and risk evaluation measures, the implementation of client relations policies, and purchasing insurance for directors and supervisors)?			<p>(II) Investor relations and stakeholders' rights: The company has established a complete spokesperson system, provides a perfect communication channel with investors, and regularly uploads the company's complete financial and business information to the Market Observation Post System.</p> <p>(III) Supplier relations: The company is closely linked with important suppliers to ensure that important raw materials can be supplied in a timely and sufficient manner.</p> <p>(IV) Training situation of directors and supervisors: The company arranges and encourages directors and supervisors to study relevant professional knowledge after considering the company's business focus and main business direction.</p> <p>(V) Purchase of liability insurance by directors and supervisors: The company has purchased liability insurance for directors, supervisors, and key employees.</p>	
IX. Regarding the recent annual release of the corporate governance evaluation results by the Corporate Governance Center of Taiwan Stock Exchange Corporation, please explain the progress made in the improved situation, and propose priority strengthening measures for those that have not yet been improved: In the future, to enhance information transparency, we will strengthen the information disclosed on the company's website and continue to increase the disclosure of information in English				

Note: CPA Independence Evaluation Criteria

Evaluation Criteria	Evaluation results	Whether Independence is Met
1. Whether the spouse or relatives within the second degree of kinship are employees of the Company or its affiliated enterprises.	Not applicable.	Y
2. Whether the individual serves as a director of the Company or its affiliated enterprises.	Not applicable.	Y
3. Whether the shareholder, their spouse, minor children, has shareholdings of more than 1% of the total issued shares of the Company or are among the top ten shareholders. Also to include shares held under another person's name.	Not applicable.	Y
4. Whether there is a spousal relationship or kinship within the second degree among other directors.	Not applicable.	Y
5. Whether there is a direct or indirect financial interest relationship with the Company.	Not applicable.	Y
6. Whether there are financing or guarantee arrangements with the Company or its directors.	Not applicable.	Y
7. Whether non-audit services that may directly affect the audit work have been provided to the Company.	Not applicable.	Y
8. Whether there has been brokerage of stocks or other securities issued by the Company.	Not applicable.	Y
9. Whether the individual has served as counsel for the Company or represented the Company in resolving conflicts with third parties.	Not applicable.	Y
10. Whether any of the situations specified in Article 30 of the Company Act exists.	Not applicable.	Y

IV. Composition, Responsibilities and Operations of the Remuneration Committee:

(I) Composition of the Compensation Committee: The compensation committee of the company was established on December 23, 2011, and consists of three members.

(II) Responsibilities of the Committee:

- (1) Develop and regularly review policies, systems, standards, and structures for evaluating the performance of directors, supervisors, and managers and determining their compensation and rewards.
- (2) Regularly evaluate and determine the remuneration of directors and managers.

(III) Operating status:

The committee shall hold at least two meetings per year. If any member has objections or reservations to the committee's resolutions, and such objections or reservations are recorded or provided in writing, they shall be recorded in the minutes of the meeting.

(1) Information on Remuneration Committee Members

Criteria Position Name		Qualifications and Experiences	Independence Status	Number of directors serving as members of compensation committees of other publicly listed companies
Independent Director	Man-Sheng Huang	<ul style="list-style-type: none"> ● Experience in business, legal, financial, accounting, or corporate affairs. ● Independent Director, Visual Photonics Epitaxy Co., Ltd 	<p>Compliance with Article 6 of 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”</p> <ul style="list-style-type: none"> ● Neither I nor my spouse, nor any second-degree relatives, have served as a director, supervisor, or employee of the Company or its affiliated enterprises; ● Neither I nor my spouse, nor any second-degree relatives (or using another person's name), hold more than one percent of the total issued shares of the Company or are among the top ten natural-person shareholders. ● I have not served as a director, supervisor, or employee of a specific related company of the Company. ● I have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the past two years. 	0
Independent Director	Zhao-Wei Pan	<ul style="list-style-type: none"> ● Legal professionals such as judges, prosecutors, lawyers, accountants, or other specialized professionals who have passed national examinations required for corporate business. ● Lawyer, Grand Trust International Law Offices; Lawyer, Mega Trust International Law Offices 	<p>Compliance with Article 6 of 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”</p> <ul style="list-style-type: none"> ● Neither I nor my spouse, nor any second-degree relatives, have served as a director, supervisor, or employee of the Company or its affiliated enterprises; ● Neither I nor my spouse, nor any second-degree relatives (or using another person's name), hold more than one percent of the total issued shares of the Company or are among the top ten natural-person shareholders. ● I have not served as a director, supervisor, or employee of a specific related company of the Company. <p>I have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the past two years.</p>	0

Independent Director	Zong-Yi Chen	<ul style="list-style-type: none"> ● Experience in business, legal, financial, accounting, or corporate affairs. ● Chairman, Chien Yeu Enterprise Co., Ltd.; Independent Director, NewSoft Technology Corporation; Independent Director, United Fiber Optic Communication Inc.; Independent Director, Shenghua Entertainment Communication Co Ltd.; Chairman, Dai Wan Shiung Ching Co., Ltd.; Institutional Director Representative, Pontex Polyblend Co., Ltd.; General Manager, Yuan Sheng Industrial Co., Ltd. 	<p>Compliance with Article 6 of 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”</p> <ul style="list-style-type: none"> ● Neither I nor my spouse, nor any second-degree relatives, have served as a director, supervisor, or employee of the Company or its affiliated enterprises; ● Neither I nor my spouse, nor any second-degree relatives (or using another person's name), hold more than one percent of the total issued shares of the Company or are among the top ten natural-person shareholders. ● I have not served as a director, supervisor, or employee of a specific related company of the Company. ● I have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the past two years. 	1
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(2) Addendance of Members at Remuneration Committee Meetings

- I. The Compensation Committee of the Company consists of three members.
- II. The term of the current committee is from June 21, 2022 to June 20, 2025. The committee held two meetings in the latest fiscal year (A), and the membership and attendance are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Zhao-Wei Pan	2	0	100%	
Committee Member	Man-Sheng Huang	2	0	100%	
Committee Member	Yang-Zheng Lu	2	0	100%	
Other mentionable items:					
I. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.					
II. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

V. Fulfillment of CSR and Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.

Initiative	Implementation Status (Note 1)			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Abstract Explanation	
I. Does the company establish a governance framework to promote sustainable development, set up a dedicated unit for promoting sustainable development, and authorizes senior management authorized by the board of directors, as well as supervise by the board of directors?		V	The company has not established a governance framework for promoting sustainable development but implements the sustainable development policy through internal promotion.	There are no significant differences
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		V	Although the company has not established a policy or system for corporate social responsibility, it has made every effort to fulfill its responsibilities in environmental protection, community improvement, creating social welfare, protecting consumer rights, and promoting harmonious labor relations, and urges its subsidiaries to do the same.	There are no significant differences
III. Environmental issues (I) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		The company promotes an environmental, safety, and health system to comply with government laws and regulations, such as implementing the ISO-14001 environmental management system. The safety, health, and environmental protection department is responsible for supervising, managing, and implementing safety, health, environmental, and fire-related business.	There are no significant differences
(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		The company is committed to achieving energy recovery and waste reduction goals to reduce its impact on the environment.	There are no significant differences
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		In line with the government's greenhouse gas inventory and registration initiatives, the company carries out VOC inspections of process equipment and reduces wastewater to reduce its impact on the environment.	There are no significant differences
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas	V		1. Please provide the following statistical data, intensity (e.g. calculated per unit of product, service or revenue) and data coverage (e.g. all factories and subsidiaries) for the past two years: (1) Greenhouse gas emissions: including carbon dioxide, methane, nitrous oxide,	There are no significant differences

reduction, water reduction, or waste management?			<p>hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and others announced by the competent authority, distinguishing direct emissions (Scope 1, emissions directly from owned or controlled sources by the company), energy indirect emissions (Scope 2, emissions from the consumption of purchased electricity, heat or steam), and other indirect emissions (Scope 3, emissions from sources not owned or controlled by the company but related to its activities);</p> <p>(2) Water consumption;</p> <p>(3) Waste: distinguishing between hazardous and non-hazardous waste by total weight. Non-manufacturing companies may not need to distinguish and only disclose the total weight of waste, with explanations on the statistical methods according to the industry characteristics.</p> <p>2. Describes policies for reducing greenhouse gas emissions, reducing water usage, or managing other waste, including but not limited to baseline data, reduction targets, promotion measures, and achievements.</p> <p>3. Describes the verification status (valid until the publication date of the annual report) and the scope of coverage for all information.</p>	
<p>IV. Social issues</p> <p>(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>The company shall hold regular labor-management meetings as required by law and establish employee work rules and procedures.</p>	There are no significant differences
<p>(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?</p>	V		<p>1. Describes the employee welfare measures, including but not limited to employee salaries, workplace diversity and equality (including but not limited to the proportion of female employees and senior executives), leave, various allowances, bonuses, and subsidies.</p> <p>2. Describes how business performance or results are reflected in employee salary policies and their implementation.</p>	There are no significant differences

(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The company provides annual health checks for employees and regularly organizes health seminars to help employees understand their health status and acquire knowledge and methods for self-health management There was no fire occurring in the Company in the current year.	There are no significant differences
(IV) Does the company provide its employees with career development and training sessions?	V		The company provides education and training to all employees to develop their work skills and encourages them to continue their education.	There are no significant differences
(V) Do the company's products and services comply with relevant laws and international standards in relation to client health and safety, client privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		The company has established clear consumer rights policies and consumer complaint procedures, and all client complaints are managed and tracked.	There are no significant differences
(VI) Does the company establish a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and reports on their implementation? ?	V		The company has a supplier evaluation system in the ISO-9001 system, and the impact on environment, safety, and society is also one of the evaluation items. The company requires all suppliers to comply with corporate social responsibility and incorporates them into the supplier evaluation scope. Suppliers who fail the evaluation are considered unqualified.	There are no significant differences
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non- financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		The company has prepared non- financial disclosure reports, such as sustainability reports, by referring to internationally recognized reporting standards or guidelines and obtained the confirmation of third-party verification units.	There are no significant differences
<p>VI. If the Company has established its own sustainable development guidelines in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, describes the differences between its implementation and the established guidelines:</p> <p>Our company has established the “Sustainable Development Best Practice Principles” and is gradually implementing them in accordance with relevant regulations.</p>				
<p>VII. Other important information that contributes to understanding the implementation of sustainable development:</p> <p>Our company has established the “Sustainable Development Best Practice Principles” and we actively engage in related social responsibility activities and encourage employees to participate as a way to give back to society.</p>				

Climate-related Implementation

Items	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<ul style="list-style-type: none"> The Board of Directors has been paying attention to climate change issues for a long time, and may take climate change issues into account if major investments are made. The management continues to pay attention to the impact of climate change, and strengthens the promotion of energy and water conservation to employees.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance of the Company (short-, medium-, and long-term).	<ul style="list-style-type: none"> Short-term risks include the Company's lack of relevant talent to cope with extreme climate and sustainable development and incapability to respond in time to the existing policies and regulations, such as domestic and foreign greenhouse gas reduction requirements, carbon tax and related laws and regulations, and customers' changes in their supplier selection criteria. All these factors may result in higher operating costs and administrative expenses for the Company. Medium-term risks include the uncertainty of future regulations and policies, mandatory regulations for products and services, replacement by other suppliers of lower-carbon products and services, and rising costs of raw materials. Long-term risks include difficulties and unstable supply in fish farming due to extreme climate, costs significantly increasing due to the net zero carbon emission requirements of renewable energy regulations, and an ESG rating affecting the willingness of investors or banks to invest and making it more difficult for the Company to raise funds.
3. Describe the financial impact of extreme climate events and transition actions.	Extreme weather can make it difficult for wild or farmed fish to grow, causing the catch to be unstable or even reduced. This will increase the cost of purchase, the Company's air-conditioning cost, and the frequency and cost of equipment maintenance, and reduce the Company's productivity due to flooding or frequent typhoons. Transition actions include the development of diversified suppliers. Maintaining supplier relations will increase costs, and the replacement of old equipment will increase the Company's capital expenditures. However, a successful transition will bring long-term profits and sustainable development for the Company.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Climate change is one of the inevitable issues for Taiwan Wax Company. In the future, the Board of Directors will establish a unit to be responsible for the identification of climate risks in accordance with the TCFD framework and the management and promotion of relevant countermeasures.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be explained.	Taiwan Wax Company has not yet evaluated its resilience to climate change risks through scenario analysis.
6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company's transition actions include the development of diversified suppliers and the replacement of old equipment. However, the specific contents of the above-mentioned plan, and the indicators and targets used to identify and manage physical risks and transition risks are still under planning.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Taiwan Wax Company has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress of each year shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon offsets or the quantity of the RECs shall be described.	Taiwan Waxing Company has not set climate-related targets.
9. Greenhouse gas inventory and assurance	Disclosed in the table below

Basic information of the Company	Required disclosures under the	
Sustainable Development Roadmap		
<input type="checkbox"/> Companies with capital of more than NT\$10 billion, iron and steel <input type="checkbox"/> Companies with capital of more than NT\$5 billion and less than NT\$10 billion <input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion	<input checked="" type="checkbox"/> Parent company only inventory <input type="checkbox"/> Parent company only inventory	<input type="checkbox"/> Subsidiaries in the consolidated financial statements <input type="checkbox"/> Subsidiaries in the consolidated financial statements

Scope 1	Total emissions (metric tons CO ₂ e)	Intensity (tons CO ₂ e/NTD thousand)	Assurance institution	Description of assurance
Parent company	43.1552	0.00028	None	None
Subsidiaries				
Total	43.1552	0.00028		
Scope 2	Total emissions (metric tons CO ₂ e)	Intensity (tons CO ₂ e/NTD thousand)	Assurance institution	Description of assurance
Parent company	55.5385	0.00037	None	None
Subsidiaries				
Total	55.5385	0.00037		

VI. Fulfillment of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(I) The Company has not yet established a policy or system for ethical operation, but the Company strictly requires internal management (management level) to maintain integrity and comply with the law, cares for and empathizes with employees, and maintains relationships with external parties, vendors, and clients based on the principles of transparency, fairness, and integrity to ensure trustworthy operations, and urges subsidiaries to make every effort to implement the same.	There are no significant differences
(II) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) The Company strengthens employee integrity through their values and core functions and deeply instills the core concepts of employee work rules in their hearts. The Company also represents employees in fulfilling their work duties in accordance with these rules to prevent dishonest behavior.	
(III) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(III) The Company regularly holds corporate ethics education and training sessions for directors, supervisors, and employees to comply with relevant laws and regulations, including the Securities and Exchange Act, Company Act, Commercial Accounting Act, or other regulations related to commercial activities, as well as the Company's internal regulations and procedures, and to perform their duties honestly.	
II. Fulfill operations integrity policy				
(I) Does the company evaluate business partners' ethical records and include	V		(I) The company has established employee work rules that promote	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
ethics- related clauses in business contracts?			a culture of integrity, influence the client's business philosophy, and exceed the service quality outlined in the contractual agreement. The company takes responsibility for conducting transactions with clients based on the principle of good faith. The company also avoids conducting transactions with individuals or entities with a history of dishonest behavior and includes provisions in business contracts that require both parties to engage in transactions based on the principle of good faith.	There are no significant differences
(II) Does the company have a unit responsible for ethical corporate management on a full-time (part-time) basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(II) The company's specific measures to ensure honest business practices include clearly defining job responsibilities, enhancing employee evaluations, regularly conducting audits of major operations and projects through an audit unit, and requiring management to present operational reports to the board of directors	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(III) The company's independent directors regularly review audit reports to understand situations of conflicting interests and maintain communication channels with stakeholders.	
(IV) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(IV) The company's internal audit personnel are responsible for regularly and irregularly conducting audits of the company's operating results. The audit reports are submitted to the chairman, general manager, and independent directors, and the company's management must improve operational management deficiencies.	
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(V) The company's management periodically participates in external training courses on ethical business practices and social responsibility. The company also periodically provides employee education and training on the principles of ethical business practices.	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
III. Operational status of the Company's whistle blower system				
(I) Has the Company established a specific whistleblowing and reward system, established convenient whistleblowing channels, and assigned appropriate dedicated personnel to handle reported matters?	V		(I) The company has established the “Procedures for Whistleblowing System” and established a whistleblowing channel.	There are no significant differences
(II) Has the Company established investigation standard operating procedures for handling reported matters, including follow-up actions to be taken after the investigation is completed, and related confidentiality mechanisms?	V		(II) Relevant operating procedures and confidentiality mechanisms are outlined in the “Procedures for Whistleblowing System.”	
(III) Does the Company take measures to protect whistleblowers from being subject to improper treatment?	V		(III) The safety of the whistleblower shall be protected. If the whistleblower is an employee of the company, the company promises that the whistleblower will not be subjected to improper treatment. The personnel responsible for handling whistleblower cases must strictly maintain the confidentiality of the whistleblower's identity and the content of the whistleblowing matter.	
IV. Strengthening information disclosure				
(I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The Company has a website, which discloses information on corporate culture, business policies, and other related information. The information and shareholder department is responsible for collecting and publishing all information related to the company.	There are no significant differences
V. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: Due to the size and cultural characteristics of the company, no dedicated unit is established to promote integrity management. However, relevant units of the company regularly report to the board of directors, which is sufficient to effectively implement integrity management in the company.				
VI. Other important information that can help understand the operation of the company's integrity management (such as the company's review and revision of its code of conduct for integrity management): The company has established a reputation for integrity management with its business partners, and will invite them to participate in education and training and review related operational methods in the future.				

VII. Other important information that can enhance understanding of the company's governance practices may also be disclosed:

The company has established the “Insider Trading Prevention Operation Procedures” and publicly announced its implementation after being approved by the board of directors. The procedures define major news and related management measures for employees, executives, and directors to follow, in order to avoid insider trading violations.

The investor relations section on the company's website provides information on significant news, dividends and stock prices, shareholder meetings and annual reports, and financial reports.

- (1) Newly appointed directors, executives, and other internal personnel of the company are distributed with the latest version of the “Over-the-Counter and Emerging Stock Company Insider Equity-related and Precautionary Matters” compiled by the Taiwan Stock Exchange at the time of taking office, for internal personnel to comply with.
- (2) Market Observation Post System: <http://mops.twse.com.tw/mops/web/index>
- (3) The Company’s website: <http://mops.twse.com.tw/mops/web/index>

VIII. Implementation of the Internal Control System:

(I) Internal Control Statement

Taiwan Wax Company Ltd.

Internal Control System Statement

Date: March 13, 2025

We hereby declare that our internal control system for the fiscal year 2024 of the Company, based on the results of self-assessment, is as follows:

- I. The company is aware that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the board of directors and management. The company has established such a system to achieve the objectives of improving operational effectiveness and efficiency (including profitability, performance, and asset security), ensuring the reliability of financial reporting, and complying with relevant laws and regulations.
- II. The internal control system has inherent limitations, and even if it is designed perfectly, it can only provide reasonable assurance for the achievement of the above three objectives. Moreover, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the company's internal control system has a self-supervision mechanism, and corrective actions will be taken once any deficiencies are identified.
- III. The company evaluates the effectiveness of its internal control system based on the judging criteria stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judging criteria used in the "Regulations" divide the internal control system into five components based on the process of management control: 1. Control environment, 2. Risk assessment and response, 3. Control activities, 4. Information and communication, and 5. Monitoring. Each component also includes several items. Please refer to the "Regulations" for details.
- IV. The company has used the above judging criteria to check the effectiveness of its internal control system's design and execution.
- V. Based on the results of the above check, the company believes that its internal control system (including the supervision and management of its subsidiaries) for December 31, 2024, is effective in terms of its design and execution related to achieving the objectives of knowing the effectiveness and efficiency of operations, ensuring the reliability of financial reporting, and complying with relevant laws and regulations.
- VI. This statement will be the main content of our annual report and public disclosure, and will be made public. If any false or hidden information is found in the public disclosure, it may involve legal responsibilities under Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. This statement was approved by the board of directors of the company on March 13, 2025. Of the nine directors present, none objected, and all agreed to the contents of this statement.

Taiwan Wax Company Ltd.

Chairman Je-Yin Lin

General Manager Je-Yin Lin

IX. Important resolutions of the shareholders' meeting and board of directors until the date of printing of this annual report:

(I) Review of important resolutions and implementation of the shareholders' meeting:

Date	Important resolutions	Implementation Review
2024.06.18	I. Approval of the 2023 annual business report and financial statements. II. Approval of the 2023 profit distribution plan. III. Approve the Proposal for Private Placement of Securities by the Company.	All resolutions of the shareholders' meeting have been executed.

(II) Important resolutions of the board of directors:

Date	Important resolutions
2024.03.14	I. Adopt the 2023 Business Report, Consolidated and Parent Company Only Financial Statements of the Company. II. Approve the Change of CPAs in Response to the Job Rotation in Benison Associated CPAs' Firm. III. Approve the Auditor's Fee for the Year 2024. IV. Approve the Proposal to Obtain Prior Consent to the Non-Assurance Service from Benison Associated CPAs' Firm. V. Adopt the 2023 Internal Control System Statement of the Company. VI. Approve the Guarantee Matters for the External Loans of the 100% Invested Subsidiary, Guan da Green Energy Co., Ltd., of the Company. VII. Approve the Proposal to Determine Whether Accounts Receivable Meeting Certain Criteria and Receivables Other Than Those are Lending in Nature. VIII. Approval of the amendment of the "Rules of Procedure for Board Meetings". IX. Approve the Proposal for Earnings Distribution for 2023. X. Approve the Distribution of Director Remuneration and Employee Remuneration. XI. Approve the Payment of Attendance Fees to the Board of Directors of the Company. XII. Approve the Setting of the Date, Time, Location, and Other Related Matters of the 2024 Annual Meeting of Shareholders of the Company. XIII. Accept Matters Related to Shareholders' Proposals Representing over 1% of Total Shares. XIV. Approve the Company's Application for a Bank Credit Line due to Business Needs. XV. Approve the Proposal for Private Placement of Securities by the Company. XVI. Approve the Implementation of Private Placement of Stocks, Subsequent Public Offering, and Application for Listing on the Over-the-counter Market.
2024.05.09	I. Approve the Company's Consolidated Financial Statements for Q1 2024. II. Approved the Company's application for bank credit facilities due to business needs; additionally approved the application for derivative product transaction limits due to hedging requirements. III. Approved the proposed addition of construction material sales business.

Date	Important resolutions
2024.08.07	<ul style="list-style-type: none"> I. Approve the Company's Consolidated Financial Statements for Q2 2024. II. Approval of lending Company funds to 100% invested subsidiary, GUAN DA GREEN ENERGY CO., LTD. III. Approve the Company's Application for a Bank Credit Line due to Business Needs. IV. Approve the Proposal to Determine Whether Accounts Receivable Meeting Certain Criteria and Receivables Other Than Those are Lending in Nature. V. Approve the Loan from Guan Da Green Energy Co., Ltd., a 100% Invested Subsidiary of the Company. VI. Approval of the sustainability report for the fiscal year 2023. VII. Approve the Lifting of the Non-compete Restriction on Managers.
2024.11.12	<ul style="list-style-type: none"> I. Approve the Company's Consolidated Financial Statements for Q3 2024. II. Approval of the operating budget for the fiscal year 2025. III. Approval of establishing the Company's "Sustainability Information Management Procedures" and other management control systems and audit schedules. IV. Approval of the audit plan for the fiscal year 2025. V. Approve the Company's Application for a Bank Credit Line due to Business Needs. VI. Approval of amendments to the Company's "Audit Committee Charter." VII. Approval of the Agreed-Upon Procedures report. VIII. Approval of salary adjustment for the Company's Financial Manager.
2025.03.13	<ul style="list-style-type: none"> I. Adopt the 2024 Business Report, Consolidated and Parent Company Only Financial Statements of the Company. II. Approval of the assessment of the certified public accountant's competency and independence. III. Approve the Auditor's Fee for the Year 2025. IV. Adopt the 2024 Internal Control System Statement of the Company. V. Approve the Guarantee Matters for the External Loans of the 100% Invested Subsidiary, Guan da Green Energy Co., Ltd., of the Company. VI. Approve the Proposal for Earnings Distribution for 2024. VII. Approve the Distribution of Director Remuneration and Employee Remuneration. VIII. Approve the Company's Application for a Bank Credit Line due to Business Needs. IX. Approval of setting the capital reduction base date for the cancellation of treasury shares from the Company's second share repurchase. X. Approval of the amendment of certain articles of the company's Articles of Incorporation. XI. Approve the Proposal for Private Placement of Securities by the Company. XII. Approval of disposal of Company real estate. XIII. Approve the Setting of the Date, Time, Location, and Other Related Matters of the 2025 Annual Shareholders Meeting of the Company. XIV. Accept Matters Related to Shareholders' Proposals Representing over 1% of Total Shares. XV. Approval of the election of 9 directors for the 16th Board of Directors (including 3 independent directors). XVI. Approval of accepting director (including independent director) nominations from shareholders holding 1% or more of shares. XVII. Approved the lifting of non-compete restrictions for newly elected directors.

- X. Record of Dissenting Opinions by Directors or Supervisors Regarding Important Resolutions Passed by the Board of Directors in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report: None.

Four. Information on Audit Fee

I. Audit Fee Unit:

Unit: NT\$ thousands

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Benison Associated CPAs' Firm	Xinyuan Wang	Yizhi Chiu	2024	1,450	0	1,450	

II. In case of a change of accounting firm with a decrease in audit fees paid in the current fiscal year compared to the previous fiscal year, the amount and percentage of the decrease in audit fees, as well as the reasons for such decrease, shall be disclosed: No change of accounting firm occurred.

III. If the decrease in audit fees is greater than 10% compared to the previous fiscal year, the amount and percentage of the decrease in audit fees, as well as the reasons for such decrease, shall be disclosed: **Less than 10 percent.**

Five. Information on the change of accounting firm: None.

Six. The Chairman, General Manager, and the manager responsible for finance or accounting have been employed in the accounting firm or its related enterprises during the past year: None

Seven. Holding or Disposal of the Company's Share by Subsidiaries of the Company in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report

I. Changes in Shareholding of Directors, Managers, and Major Shareholders

Unit: Shares

Title	Name	2024		As of March 31, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Yililong Investment Co., Ltd. Representative: Je-Yin Lin	0 323,000	0 0	0 41,000	0 0
Vice Chairman	Yuan Jin Co., Ltd. Representative: Wen-Zhe Lin	496,000 0	0 0	22,000 0	0 0
Director	Yililong Investment Co., Ltd. Representative: Zi-Jun Lin	0 0	0 0	0 0	0 0
Director	Yuan Jin Co., Ltd. Representative: Jiu-Jeng Lee	496,000 0	0 0	22,000 0	0 0
Director	Yuan Jin Co., Ltd. Representative: Sen-Xiang Chiu	496,000 0	0 0	22,000 0	0 0
Director	Yuan Jin Co., Ltd. Representative: Yang-Zheng Lu	496,000 0	0 0	22,000 0	0 0
Independent Director	Zong-Yi Chen	0	0	0	0
Independent Director	Man-Sheng Huang	0	0	0	0
Independent Director	Zhao-Wei Pan	0	0	0	0
CFO	Po-Yao Tseng	0	0	0	0

II. Information on equity transfer: The relative persons of directors, supervisors, managers, and major shareholders who have changed their equity holdings are not related parties, so this does not apply.

III. Information on equity pledge: The relative persons of directors, supervisors, managers, and major shareholders who have pledged their equity holdings are not related parties, so this does not apply.

Eight. Information on the shareholding proportions among the top ten shareholders, who are related parties or relatives within the second degree of kinship, and their relationships with each other:

Relationship among the Top Ten Shareholders

Name	Personal Shareholding		Spouse & Minor Shareholding		Aggregate Shareholding through Nominee Arrangements		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degree		Remarks
	Number of shares	%	Number of shares	%	Number of shares	%	Title (Name)	Relationships	
Yuan Jin Co., Ltd. Representative: Zi-Jun Lin	14,621,719	15.63	0	0	0	0	None	None	
Yililong Investment Co., Ltd. Representative: Yi Lien	8,932,304	9.55	0	0	0	0	None	None	
Shangpin Investment Co. Representative: Yen-Yen Wu	8,776,256	9.38	0	0	0	0	None	None	
Chih-Lung Lin	7,588,703	8.11	0	0	0	0	None	None	
Zong-Yuan Huang	6,498,385	6.95	0	0	0	0	Zuo-Rong Huang, Ling-Ru Huang	Second degree relative	
Lian Quan Investment Enterprise Co. Representative: Qiu-Xiang Lin	3,155,844	3.37	0	0	0	0	None	None	
Zuo-Rong Huang	2,883,646	3.08	0	0	0	0	Zong-Yuan Huang, Ling-Ru Huang	Second degree relative	
Ling-Ru Huang	2,857,222	3.05	0	0	0	0	Zong-Yuan Huang, Zuo-Rong Huang	Second degree relative	
Yu-Gong Zhang	1,866,930	2.00	0	0	0	0	None	None	
Wen-Cheng Chuang	1,518,085	1.62	0	0	0	0	None	None	

Nine. Ownership of Shares in Affiliated Enterprise

April 5, 2025

Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio
TAI WAX HOLDING Co., Ltd	3,730,00	100%	0	0%	3,730,000	100%
TAI WAX(THAILAND) Co., Ltd	60,000	100%	0	0%	60,00	100%
Guan Da Green Energy Co., Ltd.		100%		0%		100%
Gong Che Yan Fresh Seafood Co., Ltd.		100%		0%		100%
Jinghai Aquatic Products (Shanghai) Co., Ltd.		100%		0%		100%

Note: This pertains to an equity method investment adopted by the company.

Capital Overview

One. Capital and Shares

I. Source of Capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Note		
		Number of shares	Amount (NT\$ thousands)	Number of shares	Amount (NT\$ thousands)	Source of Capital (NT\$ thousands)	Capital Increased by Assets Other than Cash	Others
1999.05	NT\$10	500,000	5,000	500,000	5,000	Capital reduction of NT\$341,778 thousand	None	Note 1
1999.05	NT\$10	19,900,000	199,000	19,900,000	199,000	Cash capital increase of NT\$194,000 thousand	None	Note 2
2005.06	NT\$10	23,767,910	237,679	23,767,910	237,679	Capitalization of retained earnings of NT\$ 38,679 thousand	None	Note 3
2006.06	NT\$10	26,279,062	262,791	26,279,062	262,791	Capitalization of retained earnings of NT\$ 25,112 thousand	None	Note 4
2007.06	NT\$10	30,416,673	304,167	30,416,673	304,167	Capitalization of retained earnings of NT\$ 41,376 thousand	None	Note 5
2008.06	NT\$10	33,692,982	336,930	33,692,982	336,930	Capitalization of retained earnings of NT\$ 32,763 thousand	None	Note 6
2009.06	NT\$10	50,000,000	500,000	40,431,578	404,316	Capitalization of retained earnings of NT\$ 67,386 thousand	None	Note 7
2010.06	NT\$10	200,000,000	2,000,000	50,539,472	505,395	Capitalization of retained earnings of NT\$ 101,079 thousand	None	Note 8
2011.06	NT\$10	200,000,000	2,000,000	64,690,524	646,905	Capitalization of retained earnings of NT\$ 141,510 thousand	None	Note 9
2016.10	NT\$10	200,000,000	2,000,000	72,240,524	722,405	Private placement for cash capital increase of NT\$75,500 thousand	None	Note 10
2018.01	NT\$10	200,000,000	2,000,000	46,300,000	463,000	Capital reduction of NT\$259,405 thousand	None	Note 11
2018.05	NT\$10	200,000,000	2,000,000	55,050,000	550,500	Private placement for cash capital increase of NT\$87,500 thousand	None	Note 12
2019.09	NT\$10	200,000,000	2,000,000	71,550,000	715,500	Private placement for cash capital increase of NT\$165,000 thousand	None	Note 13

2021.11	NT\$10	200,000,000	2,000,000	81,550,000	815,500	Private placement for cash capital increase of NT\$100,000 thousand	None	Note 14
2022.11	NT\$10	200,000,000	2,000,000	93,559,300	935,593	Capitalization of retained earnings NT\$120,093 thousand	None	Note 15

Note 1: Approved by Taiwan-Financial-Securities-I No. 39038 dated May 5, 1999 by the MOF.

Note 2: Approved by Taiwan-Financial-Securities-I No. 39037 dated May 5, 1999 by the MOF.

Note 3: Approved by Jin-Guan-Zheng-Yi-Zi No. 0940132637 dated August 10, 2005 by the FSC.

Note 4: Approved by Jin-Guan-Zheng-Yi-Zi No. 0950134013 dated August 2, 2006 by the FSC.

Note 5: Approved by Jin-Guan-Zheng-Yi-Zi No. 0960041740 dated August 7, 2007 by the FSC.

Note 6: Approved by Jin-Guan-Zheng-Yi-Zi No. 0970041404 dated August 14, 2008 by the FSC.

Note 7: Approved by Jin-Guan-Zheng-Yi-Zi No. 0980045492 dated September 8, 2009 by FSC.

Note 8: Approved by Jin-Guan-Zheng-Yi-Zi No. 0990039877 issued on July 30, 2010 by the FSC.

Note 9: Approved by Jin-Guan-Zheng-Yi-Zi No. 1000031952 issued on July 11, 2011 by the FSC.

Note 10: Approved by Jin-Guan-Zheng-Yi-Zi No. 10501250200 issued on October 27, 2016 by the FSC.

Note 11: Approved by Jin-Guan-Zheng-Yi-Zi No. 1060047030 issued on December 12, 2017 by the FSC.

Note 12: Approved by Jin-Guan-Zheng-Yi-Zi No. 10701098960 issued on August 6, 2018 by the FSC.

Note 13: Approved by Jin-Guan-Zheng-Yi-Zi No. 10801122720 issued on September 9, 2019 by the FSC.

Note 14: Approved by Jin-Guan-Zheng-Yi-Zi No. 11001194430 issued on November 1, 2021 by the FSC.

Note 15: Approved by Jin-Guan-Zheng-Yi-Zi No. 11101206530 issued on November 4, 2022 by the FSC.

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common shares	93,559,300	106,440,700	200,000,000	TPE _x
Total	93,559,300	106,440,700	200,000,000	

Shelf Registration statement related information: None.

II. List of Major Shareholders

List all shareholders with a stake of 5 percent or greater and also list all shareholders who rank in the top 10 in shareholding percentage and specify the number of shares and stake held by each shareholder on the list:

April 5, 2025

<div>Shares</div> <div>Name of Major Shareholders</div>	Number of Shares Held	Shareholding Ratio
Yuanjin Co.	14,621,719	15.63%
E-Long Investment Co.	8,932,304	9.55%
Shangpin Investment Co.	8,776,256	9.38%
Chih-Lung Lin	7,588,703	8.11%
Zong-Yuan Huang	6,498,385	6.95%
Lian Quan Investment Enterprise Co.	3,155,844	3.37%
Zuo-Rong Huang	2,883,646	3.08%
Ling-Ru Huang	2,857,222	3.05%
Yu-Gong Zhang	1,866,930	2.00%
Wen-Cheng Chuang	1,518,085	1.62%

III. Dividend Policy and Implementation Status

(I) Dividend Policy:

Taking into account the industry environment and the growth stage of the company, and in response to future funding needs and long-term financial planning, the dividend payout ratio of the proposed earnings distribution plan for shareholders is based on a minimum of one percent of the total shareholder dividends for the current year. However, in the event that the company has significant investment projects, major operational changes, capacity expansions, or other major capital expenditures, and funding is difficult to obtain externally, or if the cash dividend per share is less than 0.1 yuan, all dividends will be distributed in the form of stock dividends.

(II) Proposed Distribution of Dividend:

On March 13, 2025, the Board of Directors of the Company proposed to withhold the distribution of dividends for the fiscal year 2024 and submitted it to the shareholders' meeting for approval.

IV. The effect of the proposed free-gratis stock allotment at the shareholders' meeting on the Company's operating results and earnings per share: Financial forecast information is not applicable as the company has not disclosed it.

V. Remuneration of Employees, Directors and Supervisor:

(I) Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

The company proposes to allocate a total amount of remuneration by deducting the pre-tax net profit before the distribution of employee and director/supervisor remuneration for the year, and distribute as follows:

- (1) Director and supervisor remuneration shall be set at no more than 3%.
 - (2) Employee remuneration shall be set within a range of no less than 1%.
- (II) The accounting treatment for any differences between the estimated amount of employee, director, and supervisor remuneration for the current period, the calculation basis for stock-based employee remuneration, and the actual distribution amount shall be determined:
- (1) 1% of the pre-tax profit is estimated as employee compensation and 2% is estimated as director remuneration for this period.
 - (2) If there are still changes in the amounts after the release of the annual consolidated financial statements, they will be processed based on accounting estimates and adjusted in the next fiscal year.
- (III) Approval of remuneration distribution by the board of directors:

On March 13, 2025, the Board of Directors resolved to distribute NT\$844,042 as employee remuneration and NT\$844,042 as director remuneration, which are consistent with the estimated expenses in 2024.

- (IV) Actual distribution of remuneration to employees, directors, and supervisors in the previous year (including the number of shares, amount, and share price), any differences between actual distribution and recognition of remuneration should be explained, along with the reasons and handling.

The 2023 employee cash compensation was NT\$391,438 and the director compensation was NT\$450,000. There was no discrepancy from the amounts recognized in the 2023 financial statements.

VI. Buy-back of Treasury Stock:

Buyback times	Second
Purpose of buyback	Transfer of shares to employees
Buyback period	March 14 ~ May 13, 2020
Buyback interval price	NT\$ 12.92~25.93
Types and quantities of buybackd shares	1,488,000 common shares
Amount of buybackd shares	NT\$ 28,093,950
Percentage of buybackd shares to the planned buyback quantity (%)	49.60%
Number of Shares Bought back and transferred	400,000 shares were transferred to employees on September 8, 2022 200,000 shares were transferred to employees on September 26, 2022
Cumulative Number of Company Shares Held	888,000 shares
Percentage of Total Issued Shares Accumulatedly Held (%)	0.95%

Two. Issuance of corporate bonds, preferred stocks, overseas depositary receipts, employee stock options, restricted employee stock grants, and issuance of new shares for mergers, acquisitions, or equity transfers of other companies: None.

Three. Financing Plans and Implementatin

I. Finance plans:

For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: None.

II. Implementation status: Not applicable.

Operation Highlights

One. Business Activities

I. Business Scope

(1) The major business operations of the Company are as follows:

- A. Manufacturing, trading, and import/export of various types of soft waxes, hard waxes, petrolatum raw materials, and finished products.
- B. Development, manufacturing, trading, and import/export of various types of formula waxes and special chemicals for wax production.
- C. Acting as an agent for domestic and foreign manufacturers for product quotation, bidding, and distribution business.
- D. Wholesale of seafood products.
- E. Construction and sale of solar energy photovoltaic equipment.

(2) Business ratio of the Company's major products

Unit: NT\$ thousands

Main Products \ Year	2024	
	Operating revenue	Percentage
Refind Paraffin Wax and Microcrystalline Wax	171,504	74.18
Aquatic products	32,565	14.09
Lease income	27,122	11.73
Photovoltaic equipment	-	-
Total	231,191	100.00

(3) Current Product(s) and Service(s):

- A. 125°F Refined Paraffin Wax: oil content below 1.5%
- B. 135°F Refined Paraffin Wax: oil content below 0.5%
- C. 140°F Refined Paraffin Wax: oil content below 0.5%
- D. 145°F Refined Paraffin Wax: oil content below 0.5%
- E. 156°F Refined Semi-microcrystalline Wax: oil content below 1.0%
- F. 160°F Refined Semi-microcrystalline Wax: oil content below 1.0%
- G. 180°F Refined Semi-microcrystalline Wax: oil content below 1.0%
- H. Wax for fishery paper boxes.
- I. Wine bottle sealing Wax (Seal Wax)
- J. PE Wax (Polyethylene Wax)
- K. Chloride Wax (Chloride Wax)
- L. Aquatic products: wholesale and retail of various aquatic products.
- M. Solar Energy: construction and sale of solar photovoltaic equipment.

II. Industry Overview:

(I) Wax Products :

(1) Industry Status and Development

Industry Status

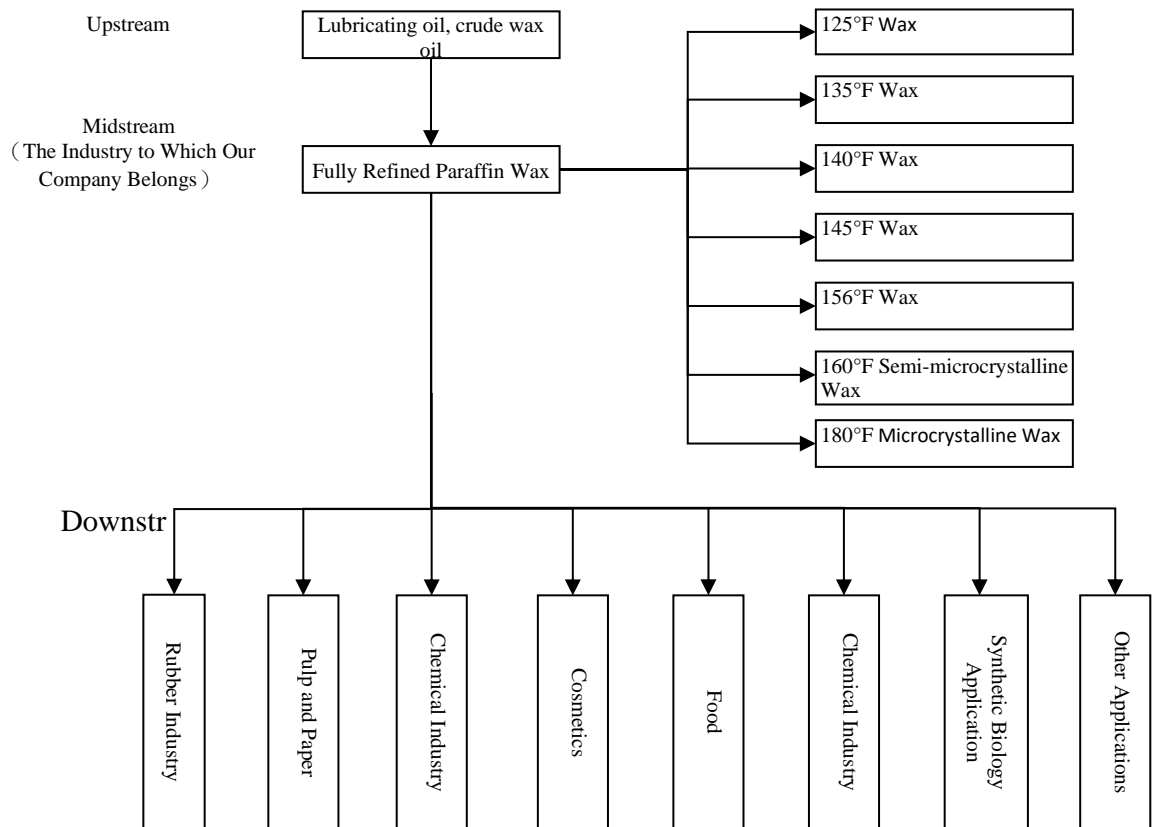
Petroleum wax can be used in a wide range of applications, including candles, moisture-proof coatings for cardboard boxes, crayons, additives for PVC, rubber, resin, and other materials, thickening agent for chewing gum, sealing agent for dry cell battery carbon rods, and insulation for high-end electronic products. Its application scope is quite extensive, and therefore its industry development is closely related to the needs of various industries, including papermaking, chemical, cosmetics, food, chemical synthesis, biotechnology, and other industrial applications.

The production of the US petroleum wax market has been declining in recent years, mainly due to the competition from low-cost wax from China, which has caused many wax plants in North America to close down and adopt an import strategy. In addition, in recent years, with the improvement of light oil cracking technology, new refining plants have abandoned the traditional solvent dewaxing process at the end, and instead use cracking or isomerization processes that can produce higher value-added products. Furthermore, in response to environmental factors, traditional markets have gradually decreased the demand for candles. Therefore, although the production of traditional wax has shown a decreasing trend over the years, it still presents a “supply exceeds demand” phenomenon, which has made the competition for the wax market increasingly fierce, leading to price declines and negative impacts on global wax manufacturers.

Based on our company's sales experience in the domestic market in recent years, the domestic demand for wax is about 25,000 tons per year, and the market share of Chinese wax in the domestic market is about 30%, while our company's market share is about 60%, and the remaining 10% is held by Japan's precision wax due to exchange rate advantages.

Petroleum wax is the basic raw material for the wax industry. In addition to being used in combination with other animal and plant waxes, it can also replace some functions of these waxes, and its price is more competitive than other waxes. In the future, wax manufacturers will focus on reducing production costs and producing high value-added products that meet client needs in order to enhance the profitability of the wax industry. Therefore, the development of wax products in the future will be towards industrial and leisure and entertainment products.

(2) Relationship between the upstream, midstream, and downstream of the industry



- Upstream: The main raw material for fully refined petroleum wax is crude wax oil, which is a by-product of lubricant production.
- Midstream: Petroleum wax is refined from crude oil and can be divided into macrocrystalline and microcrystalline wax, commonly known as paraffin wax and microcrystalline wax. It can be further subdivided into petroleum grease, liquid wax, soft wax, macrocrystalline wax, semi- microcrystalline wax, microcrystalline wax, and special purpose wax. Various types of petroleum wax can be mixed and blended with each other to meet various physical function requirements based on their chemical properties. They can also react with several resins to produce different types of formulated wax to meet specific requirements.
- Downstream: Applications of paraffin wax and microcrystalline wax include:
 - ①Paper industry – immersion, coating, lamination, and glue application.
 - ②Chemical industry – polish wax, candles, and medicine.
 - ③Cosmetics industry – solid fragrance, snowflake cream, general maintenance ointment, and beauty products.
 - ④Food industry – plants, fruits, food, poultry, and tree seedling diseases.
 - ⑤Biosynthesis – proteins, organic acids.
 - ⑥Other applications – rubber, precision casting, refractory ceramics, electricity, flower arrangement, modeling, etc.

(3) Various product development trend

Since the global use of wax products is largely limited to the candle industry, accounting for about 60%; special industrial applications account for 35%; and other applications account for 5%, the overall unit price of wax products has limited room for growth. In Europe, the United States, Japan, and other countries, the high cost of labor makes it impossible to compete with China's low labor costs, leading many to close their factories and fill the domestic demand gap through imports. In addition, in response to the increasingly severe global warming, relevant policies for "energy conservation and carbon reduction" have been formulated. This has resulted in a sharp decline in the demand for "candles," placing wax companies in a harsher situation. In the future, wax manufacturers will focus

on how to reduce production costs and introduce products that are both high- quality and affordable to meet client needs.

In addition, there is a trend of developing the following two types of wax products: high-margin industrial formula wax, high-priced leisure and entertainment candles, and wax for aesthetic medicine.

(4) Competitive situation

The main competitors of the company's petroleum wax products are:

(A) Mainland China:

Because of the high content of paraffin wax in crude oil, it is easy to extract paraffin wax. Every year, China exports about 1 million tons of petroleum wax to the world, accounting for about 1/3 of the total global petroleum wax output. With its large production scale and low labor costs, China dominates the selling price of most wax products worldwide. In addition, wax refineries in Mainland China have recently adopted “hydrotreating” to reduce the oil content of paraffin wax (0.8%→ 0.5%) to improve the quality of paraffin wax to the world level, thereby eroding our existing market. Our company is the only petroleum wax producer in the country and faces no domestic competition. However, we face competition pressure from China due to their large-scale dumping of low-priced wax products. Our company has developed a set of production and marketing strategies to respond to this competition. We will continue to improve our production technology and product quality control to ensure that our product quality is superior to that of China. By gaining the trust of clients in terms of service quality and delivery time management, we will actively develop industrial formula wax, move towards diversification and high value-added products, and increase production scale to lower production costs. By doing so, our company can gradually get rid of the entanglement of cheap wax products from China through our quality advantages and product differentiation.

(B) Japanese refined wax:

A few domestic chemical industry clients originally used it due to its formula. However, due to the “devaluation of the Japanese yen” caused by Prime Minister Abe's economic policy, domestic agents have more room for price reduction, thereby eroding our traditional wax candle market. However, this market has always been a “price market,” so our company not only responds by lowering the price of corresponding products (due to reduced production costs), but also produces our own products through “processing” imported low-priced products from China to compete with them in the traditional wax candle market. We have already achieved good results in this regard.

(II) Overview and Outlook of the Aquaculture Market:

As Chinese residents' dietary consumption continues to upgrade and food becomes more refined, seafood, with its high protein and low-fat content, is becoming increasingly popular. It is estimated that by 2026, the total consumption of seafood products will reach 72.13 million tons, a 6.6% increase from the base period. By 2031, the total consumption is expected to reach 74.16 million tons, a 9.6% increase from the base period, with an average annual growth rate of 0.9%, which is faster than the production growth rate.

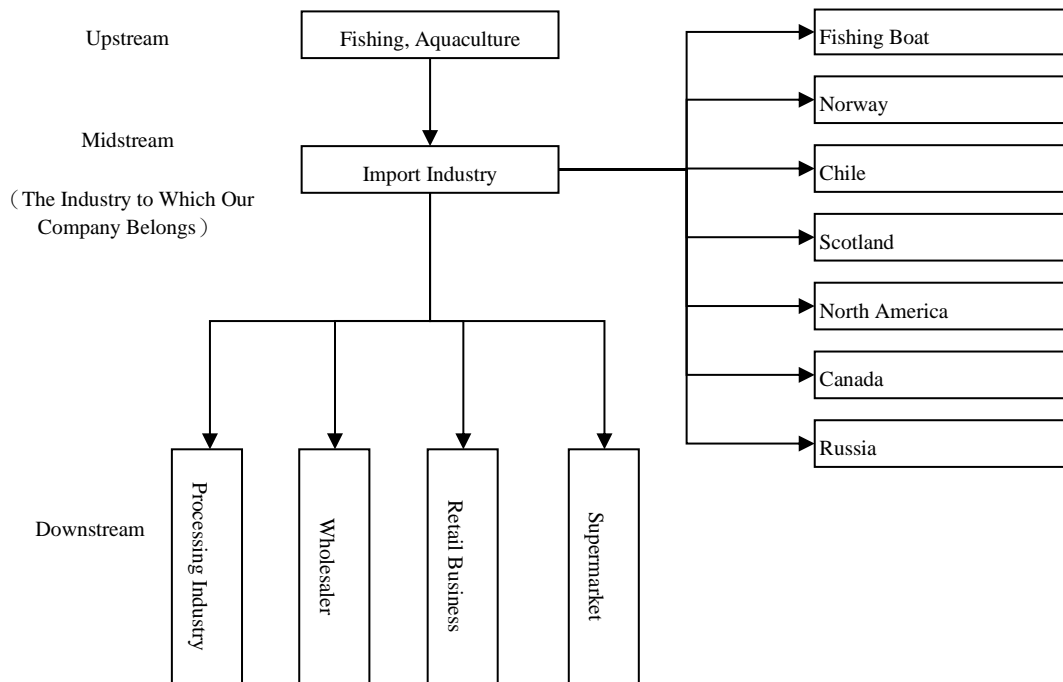
In terms of imports, fresh and chilled salmon is priced higher than frozen salmon, and Atlantic salmon is priced higher than corresponding prices for other fish species such as Coho salmon. China imports approximately 80,000 tons of salmon per year, with Atlantic salmon being the primary type. From 2015 to 2021, China's salmon imports showed a fluctuating trend, with a rapid increase in imports from 2016 to 2019, reaching a peak in 2019, and a compound annual growth rate of 31% from 2016 to 2019.

In 2020, due to the impact of the pandemic, consumption plummeted, and the discovery of COVID-19 on the chopping board of imported salmon in the Beijing market in June further exacerbated the situation. Although there was no scientific evidence linking salmon and virus transmission, the incident resulted in almost a complete halt to the import of fresh salmon for one or two months, with imports dropping to 40,600 tons, the first negative growth since 2015.

In 2021, with the gradual improvement of the pandemic situation, imports slightly rebounded, reaching 53,300 tons, a 31.23% year-on-year increase. As the global pandemic situation improved, the restaurant industry in Europe and the United States returned to normal in 2021, and demand for salmon products continued to rise, with prices beginning to rebound in the second half of the year. In the first half of 2022, the fluctuation of the pandemic situation directly affected restaurants and markets throughout China, but consumption still achieved growth year-on-year. At the same time, the international environment was complex and severe, with factors such as rising costs and reduced production on the supply side, causing the price of salmon to rise by 41.3%, the highest in nearly a decade.

Despite the global supply chain disruptions and port congestion caused by China's pandemic control policies and the Russia-Ukraine war in recent years, the company continued to procure fresh seafood products from the global aquatic market for sale to China. Our primary procurement source was Norway in Europe, with fresh salmon being the main product. In 2024, our total procurement volume reached 5,151.70 tons. We remain optimistic about and committed to developing this market. We believe China's economic activities will soon return to pre-pandemic levels, and by being fully prepared, we will be able to capitalize on growth opportunities when they arise.

(2) Relationships between Upstream, Midstream, and Downstream in the Salmon Market:



- Upstream: Refers to the process of salmon production from scratch, such as catching or farming.
- Midstream: Refers to the process of salmon from producers to agents or importers, such as our company's industry.
- Downstream: Refers to the providers of salmon products, either directly (fresh salmon) or indirectly (processing industries such as sashimi or canned salmon).

(3) Development Trends of Salmon Products:

Salmon contains nutrients such as protein, Omega-3 fatty acids, calcium, iron, B vitamins, vitamin D, and vitamin E. Salmon is high in fat, with 55% monounsaturated fatty acids and essential fatty acids EPA and DHA, which have effects such as clearing blood, lowering cholesterol, preventing vision loss, activating brain cells, and preventing cardiovascular disease. In addition, vitamin B in salmon can eliminate fatigue, and vitamin D can help absorb calcium, making it a highly nutritious food.

As the global population continues to grow, the demand for food supply becomes increasingly strong, and protein is an essential source of nutrition for humans. Therefore, the ease of capturing fishery products, the ability to farm, and the richness of fish in protein will make human dependence on the fishing industry increasingly high. According to the United Nations Food and Agriculture Organization (FAO), the average fish product consumption per person per year worldwide will increase from 16.7 kilograms currently to 19-20 kilograms by 2030, showing the close relationship between the yield, development, and future demand for fishery products.

(4) Competition situation:

Mainland China accounts for about 5% of global salmon consumption, importing approximately 80,000 tons of salmon from Chile, Norway, Faroe Islands, Australia, and Canada annually. Mainland China imports salmon mainly in two ways, fresh and frozen. Fresh salmon is transported by sea, while frozen salmon is transported by air. Norwegian salmon is transported to mainland China through fresh shipping, while frozen salmon in the mainland market mostly comes from Chile.

Our company mainly imports salmon from Norway, and although our company's imported Norwegian salmon has deep roots in the mainland Chinese market, after China joined the World Trade Organization (WTO), competitors such as Chile and Faroe Islands emerged, which inevitably affected our company's market share in mainland China and subsequently impacted our business revenue.

(III) Installation of Solar Photovoltaic System:

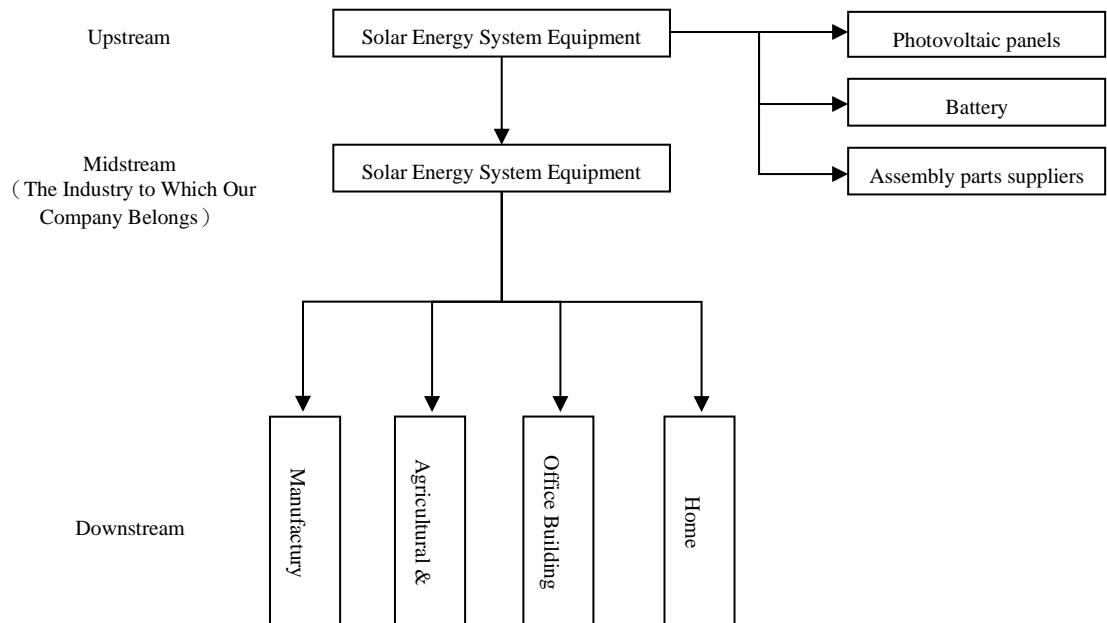
(1) Current Situation and Development of Taiwan's Industry:

Energy transformation is an important policy goal of the current government and is related to Taiwan's transformation path for the next 30 years. This is a very difficult challenge, and in the past six years, the government has continued to integrate the efforts of all sectors and public-private partnerships to accelerate the “2050 net-zero transition” using a stable foundation. In recent years, many domestic companies have joined the RE100 trend and responded to the industry's urgent demand for green electricity. The government has announced the roadmap for net-zero emissions and successively proposed “12 key strategies” to integrate resources across departments and continue to invest in forward-looking technology research and development to develop various other green energies, including hydrogen, geothermal, ocean energy, and bioenergy. This indicates that the green energy and renewable industry will continue to play an important role in the economic development process.

In the future, the Company will develop new customers for solar photovoltaic projects in line with industry policies and market trends. The Company has also established renewable energy sites in Chiayi, Changhua, and Taoyuan regions, utilizing our own land and facilities or through leasing arrangements. These sites are currently generating stable electricity for sale to the grid, contributing to and increasing group revenue. We aspire to keep pace with and secure a position in this wave of green energy industry development. The 2050 net-zero transition is a transformative project spanning generations, disciplines, and international borders. Beginning in 2023, the government will require all enterprises to disclose greenhouse gas inventory data, with the expectation that carbon reduction will become a new driver for industrial upgrading and economic development. In order to maintain power supply stability, increase the pace of renewable energy installation, and move towards the goal of net-zero transition, the government will continue to increase the pace of renewable energy installation every year and continue to move towards a circular approach to reduce carbon emissions and air pollution, in step with the global 2050 net-zero movement.

(2) Relationship between the upstream, midstream, and downstream in the market:

The solar energy system equipment industry is divided into upstream, midstream, and downstream, with upstream consisting of system equipment manufacturers, midstream consisting of system equipment installers, and downstream consisting of system equipment users. Our company belongs to the midstream as a solar energy system equipment installer, with a business focus on setting up solar photovoltaic systems and finding suitable installation sites.



- Upstream: Solar system equipment manufacturers such as solar panels or batteries.
- Midstream: Solar system equipment installation companies such as the company itself.
- Downstream: Direct users of solar system equipment, such as households, office buildings, factories, and agricultural and pastoral industries.

For end manufacturers, solar photovoltaic equipment provides a stable annual return on investment, so manufacturers who build and sell equipment do not need to worry about finding clients.

(3) Solar development trends:

Taiwan is a densely populated country with few plains and many mountains, and the 20GW solar photovoltaic target urgently requires installation space. The 1GW currently installed has been completed on land with the most suitable sun exposure, so the government is taking stock to find suitable and potential new land space for use.

For ground-mounted systems, the key to development lies in land. Agricultural land sinking zones, salt industry land, polluted land, closed landfills, and land sinking zones along high-speed railways can be flexibly used to set up ground-mounted solar power plants. Currently, the land inventory for solar photovoltaics is as follows: 803 hectares of salt land excluding national wetland protection areas. 1,253 hectares of land sinking zones in 18 areas opened by the Council of Agriculture. 2,721 hectares of detention basins and reservoirs. And 2,633 hectares of landfills and polluted land.

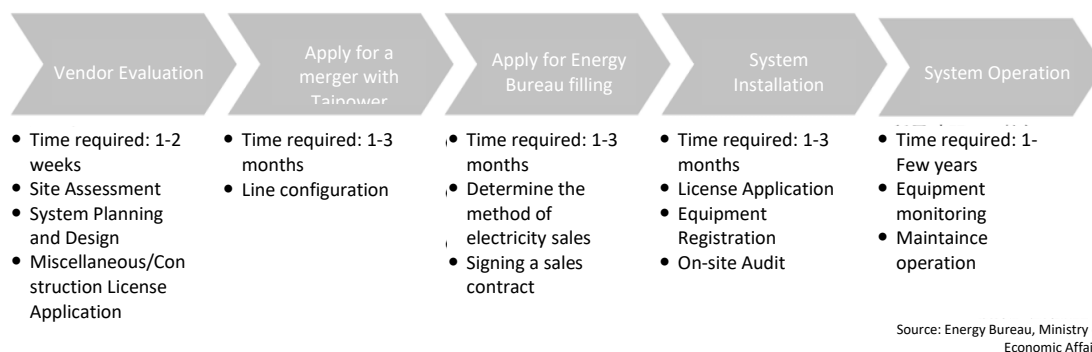
For rooftop systems, the focus is on central public rooftops, industrial plants, agricultural greenhouses, and other rooftops (local public rooftops, residential, commercial). Considering the expansion of solar photovoltaic policies and the safety of the solar photovoltaic system structure, illegal rooftop buildings can be reviewed and relevant permits and licenses obtained according to the autonomous regulations of local governments. For example, the “Kaohsiung City Building Installation of Solar Photovoltaic Facilities Measures” has relaxed the height limit for solar photovoltaic installations to below 4.5 meters, exempted from calculating the area of protruding roofs and building height, but miscellaneous permits must still be obtained according to regulations.

(4) Competition situation:

The solar energy industry has become one of the green energy technology projects under the government's 5+2 industrial innovation plan. When installing solar systems, formal applications must be submitted to the government, and the application process involves contacting multiple government agencies, which can take months. In addition, after the solar system is successfully operational, the lifespan of electronic products, the depreciation and obsolescence of components, and regular maintenance must all be considered, which will increase costs. These additional costs are also factors that need to be considered when setting up a solar energy system.

Due to the government's emphasis on green energy policies and subsidies, many companies have invested in the installation of solar system equipment. However, this industry requires high investment and has a longer payback period (purchasing system equipment, finding installation sites, compliance with regulations, etc.), making it more difficult for companies to allocate funds and achieve shareholder returns.

The equipment investment and construction schedule are shown in the following figure.:



III. Technical and R&D Overview

The main products of technical research and development are waxes, while aquatic and solar photovoltaic systems are purchased, built and then sold.

Technical and R&D Overview

- a. Our finished waxes 125°F, 135°F, 140°F, 145°F, 156°F, 160°F and 180°F have passed the US FDA regulatory annual inspection this year.
- b. To comply with European Union regulations and facilitate the smooth entry of products into the European market, the company's three types of substances, paraffin wax, microcrystalline wax, and intermediate crude wax, were analyzed by SGS and all passed the testing of 235 items under the European Union SVHC.
- c. As the only domestic raw material supplier has ceased production, crude wax is currently imported from abroad. To expand and diversify sources, suitable Slack waxes will be purchased from companies such as Thai Lube, IRPC, Sepahan, Tonen General, and Pertamina. In addition, other foreign Slack wax samples will continue to be obtained through channels to establish analysis data and evaluate applicability for future procurement decisions.
- d. Strengthen cooperation between industry, academia, and research and development projects (we have reached out to Taiwan Textile Research Institute and Chaoyang University of Technology) to increase product value and diversify applications, discover new business opportunities (paraffin phase change material (PCM)), and evaluate the feasibility of launching new business projects.

IV. Long- and Short-Term Business Development Plans

(1) Marketing Strategy

A. Short-term Plan

Develop new high value-added products through planned marketing strategies to avoid competing with low-priced waxes from the mainland in the traditional candle market.

B. Long-term Plan

Establish a sound after-sales service system to provide professional technical consultation (an advantage of the Company) to enhance client satisfaction with the Company's products and improve service quality.

(2) Production and Product Strategy

A. Short-term Plan

Reintegrate existing production lines, retire inefficient machinery and actively promote energy-saving and waste-reduction programs to reduce production costs and improve process operation stability.

B. Long-term Plan

By leveraging the research and development capabilities of academic institutions (we have reached out to Taiwan Textile Research Institute and Chaoyang University of Technology), we actively develop non-paraffin products, namely, our second product line, and move towards the high value-added industry.

(3) Financial Strategy

A. Short-term Plan

① In line with the Company's overall operational objectives, we seek diversified sources of funding to facilitate the smooth completion of business expansion plans, and share the profits with shareholders.

② Strengthen the Company's financial structure by reducing inventory and accounts receivable collection days, improving financial ratios, and reducing funding and operating costs.

B. Long-term Plan

Raise funds for the company's long-term development through capital markets to expand operations and return long-term investment returns to shareholders.

(4) Business Management Strategy

A. Short-term Plan

① Combine management information computerization, simplify the operation process, and enhance departmental management performance.

② Strengthen internal audit operations and establish a sound system.

B. Long-term Plan

① Master the product market trends, expand sources of industry information, and formulate integrated product and marketing strategies.

② Combine human resource training goals, establish career planning for colleagues, consolidate colleagues' cohesion and ambition, pursue the Company's and colleagues' common growth, and achieve the Company's vision.

Two. Market and Sales Overview

I. Market Analysis

(A) Wax

(1) Sales Regions of Main Products

Our company is the only professional manufacturer of refined wax domestically, mainly for domestic sales. The export regions are mainly in Asia and the Americas. The sales amount by region in 2024 and 2023 are as follows:

Unit: NT\$ thousands

Items \ Year		2023		2024	
		Amount	%	Amount	%
Domestic Sales		123,135	83.26	128,872	75.14
Direct/Indirect International Sales	Asia	21,518	14.55	40,675	23.72
	America	3,248	2.19	1,957	1.14
	Subtotal	24,766	16.74	42,632	24.86
Total		147,901	100.00	171,504	100.00

(2) Market Share and Future Supply-Demand Status and Growth

A. Market Share

Our company's main product, refined paraffin wax, is mostly for domestic sales, with a market share of about 60%.

B. Future Supply Status of the Market

Petroleum wax manufacturers will focus on improving research and development technology in the future, and develop high value-added products such as industrial-use formula wax, leisure and entertainment-use wax, and wax for aesthetic medicine to meet the needs of users in different fields globally.

C. Future Demand Status of the Market

In recent years, petroleum wax sales have generally shown a stable growth trend. As the application scope of petroleum wax gradually expands, and petroleum wax manufacturers accelerate the development of formula wax basic technology, it will meet the needs of more users in various fields. Therefore, if petroleum wax manufacturers can focus on the research and development of formula wax technology in the future, with the continuous expansion of the application scope of petroleum wax, the demand for petroleum wax in the market is expected to continue to increase.

D. Future Growth Potential

Our company has a upstream position in the wax industry and is a key player in the future overall wax industry system. We can play a leading role and enter the international market.

(3) Niche competition

- A. Excellent product quality.
- B. Strong production capacity and highly automated production lines.
- C. Continuously developing niche products.

(4) Favorable factors for future development

- A. The global petroleum wax application market will continue to grow, with huge potential business opportunities.
- B. Effective cooperation with foreign industry on technology, to master information and technical sources.
- C. Good stability in product quality, deeply appreciated by clients.
- D. Integration of production and supply chain capabilities, to effectively reduce production costs.

- (5) Adverse factors and corresponding strategies for future development
- A. Facing competition from Chinese low-cost and Japanese high-quality waxes due to exchange rate fluctuations.
Response strategy: To avoid price competition effectively, actively play to its advantages in petroleum wax production technology, continuously research and develop high-value-added products such as industrial wax formulations, and develop profitable products for product types that are currently not widely available in the market, to establish market differentiation. Furthermore, strengthen after-sales service to establish good cooperative relationships with clients.
 - B. Difficulty in finding research and development talents in the field of petroleum wax.
Response strategy:
 - a. Collaborate with domestic and foreign research and development units to expand research and development reach, and enhance product development capabilities.
 - b. Continuously introduce automated production equipment, strengthen employee professional training to improve employee production efficiency, and devote efforts to improving production technology and processes, so that equipment production capacity can be fully utilized.

(B) Aquatic Products

- (1) The aquaculture department of Taiwan Wax Company currently focuses mainly on salmon, with less production of flatfish, king crabs, and shrimp. However, the total sales volume of salmon accounts for only 0.1% of the world's total production. With the increasing demand for aquatic protein worldwide, Taiwan Wax Company has room for growth.
- (2) The world's population is constantly increasing, but ocean resources are dwindling. The demand for aquatic protein is on the rise. Mainland China's consumption of aquatic protein is only one-sixteenth of the world's, so there is great potential for development.

(C) Solar Photovoltaic

- (1) With the government aiming to reach a 20GW solar photovoltaic system installation capacity by 2025, the target of 5GW is expected to be achieved by the end of this year. The market is optimistic about the next five years, which could bring in 15GW of business opportunities worth around 750 billion.
- (2) However, due to the Agricultural Committee's policy changes regarding using farmland for solar energy, all farmland are currently ineligible for installation, which is a major disadvantage in the market.

II. Main Product Uses and Manufacturing Processes

(1) Main Products:

- ① Wax products:
Refined paraffin wax
 - A. 52/54°C (125°F) Refined Paraffin Wax
 - B. 56/58°C (135°F) Refined Paraffin Wax
 - C. 58/60°C (140°F) Refined Paraffin Wax
 - D. 61/63°C (145°F) Refined Paraffin Wax
 - E. 68/69°C (156°F) Refined Paraffin Wax

F. 70/72°C (160°F) Refined Paraffin Wax

G. 81/83°C (180°F) Refined Paraffin Wax

Formulation Wax

A. Paraffin Wax Phase Change Material (coating...)

B. Investment Casting Wax

C. Composite Microcrystalline Wax

Emulsion Wax

A. Wax for Washed Eggs

② Aquatic Products:

Salmon, flatfish, king crab, large shrimp species

③ Solar Energy:

Construction and sale of solar energy photovoltaic equipment.

(2) Important uses of main products

① Wax Products :

Main Products	Uses of the main products
Refined Paraffin Wax	Candle making, moisture-proof coating for paper boxes, wax crayons, PVC, rubber grease additives, chewing gum thickening agents, battery encapsulants, and insulation for electronic products.
Formulation Wax	Coating, paint, textile.
Emulsion Wax	Washed eggs.

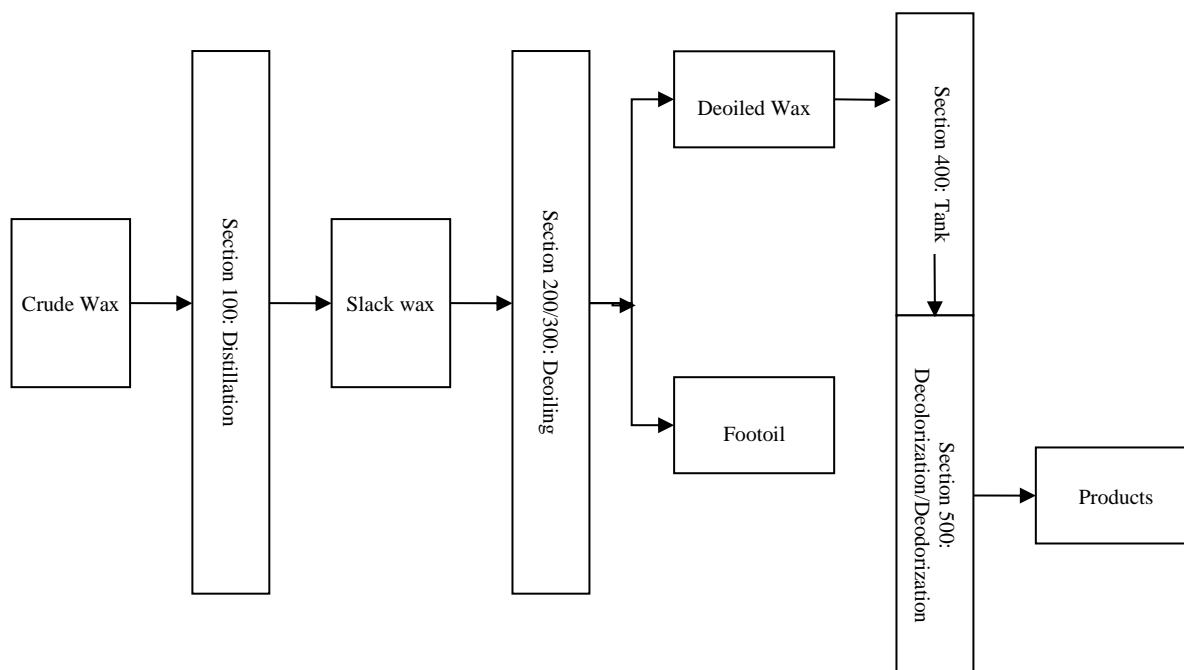
② Aquatic products: can be directly consumed or processed into finished products.

③ Solar energy: photovoltaic equipment mainly for power generation, with end clients being Taiwan Power Company. The generated electricity can also be transmitted to green electricity buyers through green power suppliers.

(3) Production processes of main products

A. Paraffin wax

Taiwanese wax factories mainly use crude wax as raw material, and produce various refined paraffin waxes with different melting points, as well as by-product Footoiles, through a series of distillation, freezing, filtration, steam distillation, separation and other process units. The operation functions of this factory are divided into the following areas:



III. Supply status of Main Raw Materials

- (1) Wax Products: The main raw material for wax production is crude wax. In 2023, our company mainly imported raw materials from Asian countries and other regions.
- (2) Aquatic Products: We mainly purchase aquatic products from Norway, Chile, Canada, Iceland, Russia, and other countries.
- (3) Large Solar Photovoltaics: The main raw materials for solar photovoltaic modules are supplied by major manufacturers such as AUO or TSMC, while the inverters are supplied by leading companies such as Delta Electronics, Huawei, and Yingzheng.

IV. Suppliers (customers) who accounted for more than 10% of the purchase (sales) in any one of the most recent two fiscal years

(1) The names of suppliers who accounted for more than 10% of the purchases in any one of the past two years, along with their purchase amount and proportion:

Unit: NT\$ thousands

Items	2023				2024				As of the end of the first quarter of 2025			
	Name	Amount	Percentage of net purchase amount for the whole year [%]	Relation with Issuer	Name	Amount	Percentage of net purchases for the whole year [%]	Relation with Issuer	Name	Amount	Percentage of net purchases as of the end of the most recent quarter [%]	Relation with Issuer
1	Company A	76,490	36.20	None	Company A	94,767	67.10	None	Company A	9,273	51.31	None
2	Company B	64,573	30.56	None	Company B	17,722	12.55	None	Company B	4,777	26.43	None
3	Company C	24,329	11.51	None	Company C	14,980	10.61	None				None
4	Company D	23,369	11.06	None				None				
	Others	22,564	10.67	None	Others	13,753	9.74	None	Others	4,022	22.26	None
	Purchase amount	211,325	100.00		Purchase amount	141,222	100.00		Purchase amount	18,072	100.00	

(2) The name(s) and sales amount percentage of client(s) that accounted for 10% or more of the total sales in either of the most recent two fiscal years:

Unit: NT\$ thousands

Items	2023				2024				As of the end of the first quarter of 2025			
	Name	Amount	Percent age of net purchase amount for the whole year [%]	Relation with Issuer	Name	Amount	Percent age of net purchase amount for the whole year [%]	Relation with Issuer	Name	Amount	Percentage of net sales as of the end of the most recent quarter [%]	Relation with Issuer
1	Company E	107,168	27.34	None	Company E	26,600	11.51	None	Company E	6,305	15.44	None
2	Company F	47,440	12.10	None				None	Company F	4,306	10.54	None
3												None
	Others	237,393	60.56	None	Others	204,591	88.49	None	Others	30,226	74.02	None
	Sales amount	392,001	100.00		Sales amount	231,191	100.0		Sales amount	40,837	100.00	

Three. Employee Statistics for the Most Recent Two Fiscal Years up to the Publication Date of the Annual Report

March 2025

Year		2023	2024	As of March, of the current fiscal year 2025
Number of employees	Staff	18	17	16
	Employee	10	10	10
	Total	28	27	26
Average age		48.84	48.57	48.07
Average years of service		12.98	13.34	13.97
Education distribution percentage (%)	Ph D.	0%	0%	0%
	Master's degree	10.7 %	11.1 %	7.7%
	College	64.3%	59.3%	61.5%
	Senior high school	21.4%	25.9%	27.0%
	Below senior high school	3.6%	3.7%	3.3%

Four. Disclosure of Environmental Information

- I. Total amount of losses (including compensation) and disposal due to environmental pollution incurred in the most recent fiscal year and up to the date of printing this annual report, as well as future response measures (including improvement measures) and potential expenses (including estimated amounts of losses, disposal, and compensation that may occur if response measures are not taken, and if it is not possible to estimate the amount reasonably, it shall be stated that the fact cannot be reasonably estimated): None.

Five. Labor Relations

Since its establishment, the Company has been committed to promoting harmonious labor relations, caring for and respecting employees, and working together with them to achieve common goals. To strengthen labor relations, safeguard employee rights and benefits, and promote a sense of unity and mutual prosperity between employees and the Company, the following systems and measures have been established.

I. Employee benefits, training and education programs, retirement system and its implementation status, as well as labor-management agreements

(I) Employee welfare measures and rights protection:

The Company provides employee bonuses according to the law, and contributes to the National Health Insurance, labor insurance, group insurance, retirement funds, as well as employee welfare funds, which are set aside based on a certain proportion of the Company's operating income and capital.

Other benefits include annual bonuses, employee health checkups, marriage, funeral, and childbirth subsidies, hospitalization comfort money, marriage subsidies, annual paid leave, and employee uniforms.

The Company has established an employee welfare committee in accordance with the law, which is composed of elected representatives from all employees. The committee holds regular meetings, elects committee members, and sets annual plans for activities, including festival gifts and bonuses, celebration of life events, social club activities, birthday bonuses, and various travel and social events.

(II) Employee education and training system:

The Company has established the “Employee Education and Training Management Operating Procedures” to effectively assist in improving work knowledge and completing tasks assigned by the Company, allowing employees to grow and innovate with new ideas. Regular on-the-job training, outsourced professional training courses, and new employee training activities are held as needed. Various employee training programs are carried out in accordance with the “Annual Training Plan.” The training and education activities for 2024 are as follows:

Items	Shift	Total number of people	Total hours	Total cost
1.New employee training	1.0	1.0	7.0	-
2.Professional skills training	12.0	14.0	66.0	16,135
3.Supervisor talent training	1.0	1.0	12.0	8,000
4.General education training	-	-	-	-
5.Self-development training	-	-	-	-
Total	14.0	16.0	85.0	24,135

(III) Retirement system

The company has fully settled all pre-June 30, 2005, employment-based old pension plan liabilities by providing the entitled service-related benefits to the retired employees. The “Retirement Reserve Account” has been duly accounted for and closed.

For employees who joined after July 1, 2005, the retirement pension system under the Labor Retirement Pension Act applies, and 6% of their monthly salary is allocated to their personal retirement pension account with the Labor Insurance Bureau.

(IV) Labor-management agreements:

In accordance with Article 83 of the Labor Standards Act, there is a “Labor-Management Conference Implementation Measures” for both labor and management to follow. The Labor-Management Relations Committee has been established to hold regular meetings for communication and discussion, so that employees can fully understand the management system and the Company’s operating goals. An employee suggestion box is also set up to provide multiple channels to promote labor-management communication and protect the rights and interests of employees. Since its implementation, labor and management have worked harmoniously, and all matters have been handled in accordance with the “Labor-Management Conference Implementation Measures.”

(V) Maintenance of various employee rights and benefits:

Adhering to the principle of co-existence and mutual prosperity with employees, we provide a safe working environment for our employees to improve their expertise. The Company has implemented various measures, including compliance with the Labor Standards Act and related labor laws and regulations, and establishing a personnel management system to protect the rights and interests of employees. Safety and health work rules have also been formulated to raise employee awareness and understanding of safety. Safety protection equipment is issued to on-site operators, and safety shoes are provided to them every year. Clear safety signs are present in the factory, and external contractors for outsourced projects may enter the factory for construction only after receiving a safety briefing. Access to the factory is controlled by security guards. To provide employees with a safe and comfortable working environment, in accordance with the Occupational Safety and Health Act, the Company implements working environment monitoring every six months, commissions external contractors for fire safety inspection declaration annually, and performs a safety inspection of buildings every two years.

II. Total amount of losses incurred in the past two fiscal years and up to the date of printing this annual report due to labor disputes, estimated amounts of potential losses in the future, and response measures:

Our company has a low-pollution, automated production process with streamlined personnel, and has actively implemented and improved welfare and safety measures. As a result, there have been no major adverse labor disputes, and the probability of future labor disputes is not high.

Six. Information Communication Security Management:

(I) Describe the information and security risk management framework, security policies, specific management plans, and resources invested in security management:

To strengthen the company's Information Communication Security Management and ensure the security of data, systems, and networks, we have established an information security department responsible for coordinating information security and related matters. The internal control procedures related to information security are developed by the audit department and internal audits are conducted regularly. As information systems and internet applications become increasingly advanced, we will establish Information Communication Security Management policies as the basis for all employees to follow information security. In terms of resources invested in security management, the company implements firewalls to further block virus intrusion attacks. For the user side, we keep Windows up-to-date and patch vulnerabilities in a timely manner to prevent viruses and hackers from attacking through Windows vulnerabilities. The company will periodically assess the likelihood of information security risks causing losses, commission vendors to build and maintain important information systems, and take out appropriate insurance to reduce the amount of losses if necessary.\

- (II) List the losses incurred due to significant security incidents up to the date of printing this annual report in the most recent fiscal year, potential impacts, and response measures taken. If it is not possible to estimate the losses reasonably, it shall be stated that the fact cannot be reasonably estimated: None.

Seven. Important Contracts:

Name of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Contract of representation	Three D Group Ltd.3DV	2014/9/15-2024/9/30	Acquisition of exclusive distribution rights for sales products.	None

Review of Financial Conditions, Operating Results, and Risk Management

One. Financial Status

Unit: NT\$ thousands

<div> <div>Year</div> <div>Items</div> </div>	2023	2024	Difference	
			Amount	%
Current assets	2,793,569	795,314	(1,998,255)	(71.53)
Property, Plant and Equipment	766,485	867,277	100,792	13.15
Other assets	213,094	184,309	(28,785)	(13.51)
Total assets	3,773,148	1,846,900	(1,926,248)	(51.05)
Current liabilities	2,348,026	333,728	(2,014,298)	(85.79)
Noncurrent liabilities	120,613	124,848	4,235	(3.51)
Total liabilities	2,468,639	458,576	(2,010,063)	(81.42)
Capital stock	935,593	935,593	0	0.00
Retained earnings	207,187	289,902	82,715	39.92
Other Equity	13,411	14,511	1,100	8.20
Non-controlling interest	0	0	0	0.00
Total Stockholders' Equity	1,304,509	1,388,324	83,815	6.43

Explanation of variance in ratio analysis: (explanation of variance in ratios that have changed by 20% or more)

- Current assets decreased by NT\$1,998,255 thousand in the current period mainly due to:
 - A decrease of NT\$1,340,974 thousand in other financial assets, which were USD time deposits.
 - A decrease of NT\$617,065 thousand in temporary payments, which were payments for purchase services.
- Property, plant and equipment increased by NT\$100,792 thousand during this period, primarily due to the ongoing construction of the group headquarters.
- Other assets decreased by NT\$46,785 thousand during this period, due to the disposal of debt instrument investments amounting to NT\$14,505 thousand and a decrease in prepayments for equipment of NT\$17,333 thousand.
- Current liabilities decreased by NT\$2,014,298 thousand this period, primarily due to the repayment of short-term loans amounting to NT\$1,970,850 thousand.
- Retained earnings increased by NT\$82,715 thousand mainly due to the transfer of the 2024 net income to retained earnings.

Two. Financial Performance

I. Analysis of Financial Performance

Unit: NT\$ thousands

Items	2023	2024	Amount Variance	Change ratio (%)
Operating revenue	392,001	231,191	(160,810)	(41.02)
Operating Costs	(273,949)	(173,959)	(99,990)	(36.50)
Gross profit	118,052	57,232	(60,820)	(51.52)
Operating Expenses	(69,275)	(145,065)	(75,790)	(109.40)
Operating Income (Loss)	48,777	(87,833)	(136,610)	(280.07)
Operating income and expenses	(10,317)	171,377	181,694	1761.11
Net Profit before tax	38,460	83,544	45,084	117.22
Income tax paid	(158)	(829)	(671)	(424.68)
Profit (loss) from continuing operations	38,302	82,715	44,413	115.95
Profit (loss) from discontinued operations	0	0		
Net income (Loss)	38,302	82,715	44,413	115.95
Explanation of variance in ratio analysis: (explanation of variance in ratios that have changed by 20% or more)				
1. Operating revenue decreased by NT\$160,810 thousand this period, mainly due to lower photovoltaic equipment revenue compared to the previous period.				
2. Operating costs decreased by NT\$99,990 thousand this period, primarily due to lower photovoltaic equipment costs compared to the previous period.				
3. Gross profit decreased by NT\$60,820 thousand this period, mainly due to reduced seafood procurement services compared to the previous period.				
4. Operating expenses increased by NT\$75,790 thousand this period, primarily due to an increase in expected credit losses of NT\$71,293 thousand compared to the previous period.				
5. Non-operating income and expenses increased by NT\$181,694 thousand in the current period mainly due to				
(1) An increase of NT\$7,384 thousand in interest income;				
(2) A decrease of NT\$5,439 thousand in finance costs;				
(3) A net foreign exchange gain of NT\$157,324 thousand.				

(I) Expected sales quantity and basis: The Company has not prepared or disclosed any financial forecast, so it is not applicable.

(II) Possible impact on the company's future financial operations and response plan: There is no significant impact on the financial business situation.

Three. Cash Flow

I. Cash Flow Analysis for the Most Recent Two Years

Unit: NT\$ thousands

Items \ Year	2024	2023	Variance
Operating activities	369,009	355,540	13,469
Investing activities	1,631,087	(1,485,148)	3,116,235
Financing activities	(2,020,599)	1,110,866	(-3,131,465)
Explanation of variance in ratio analysis: 1. Operating activities: No significant differences between the two periods. 2. Investing activities: Net cash inflow increased, mainly due to USD time deposits maturing and transferring to demand deposits. 3. Financing activities: Net cash outflow increased, primarily due to increased repayment of long-term and short-term loans.			

II. Analysis of Cash Flow Liquidity in the Next Year

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Full-year net cash flow from other activities	Expected cash surplus (shortfall) amount	Remedial measures for expected cash shortfall	
				Investment Plans	Financing Plans
101,643	166,775	(155,081)	113,337	—	—
Analysis of the expected changes in cash flow for the next year: There is no anticipated shortage of cash.					

Four. Impact of significant capital expenditures in the latest fiscal year on financial operations: None.

Five. Recent investment policy, primary reasons for profits or losses, improvement plans, and investment plans for the upcoming year:

- I. Our company's principle for re-investment is to pursue stability, diversification, and risk dispersion.
- II. The profit or loss of reinvestment depends on the prosperity or decline of the industry in which the investment target is located, the domestic economic situation, and the management strategy.

Six. Risk Management

I. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

(I) Interest rate changes:

The Company's short-term borrowing is based on floating-rate debt, so fluctuations in market interest rates will cause the effective interest rate of short-term borrowing to fluctuate and affect future cash flows.

The finance department closely monitors changes in interest rates in the market, adjusts borrowing terms and interest calculation methods to reduce interest expenses.

(II) Exchange rate changes:

The Company's main import and export transactions are denominated in U.S. dollars. The fair value will change with the fluctuation of market exchange rates. However, the company's foreign currency assets and liabilities can offset some of the market risks. Any position gaps generated will be hedged using forward exchange transactions to reduce exchange rate risk.

(III) Inflation:

The Company operates in a conservative and stable manner. We will continue to focus on reducing various production and sales costs in the future, closely monitor the supply and demand of raw materials and prices, and adjust inventory flexibly to reduce the impact of price fluctuations.

II. The company's policy regarding 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:

The company does not engage in high-risk, high-leverage financial investments and has established operational procedures in accordance with relevant laws and regulations of the Securities and Futures Bureau, including procedures for "Operational Procedures for Lending Funds to Others", "Operational Procedures for Acquiring or Disposing of Assets", and "Operational Procedures for Endorsement and Guarantee".

III. Research and development work to be carried out in the future, and further expenditures expected for research and development work:

Due to the high unit price of imported functional composite waxes, the company intends to develop products such as jewelry wax, casting wax, rubber protection wax, slicing wax, and dental floss wax to enhance product diversity and added value.

IV. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The company operates in compliance with relevant domestic and foreign laws and regulations, monitors developments in domestic and foreign policies and regulatory changes, collects relevant information for management decision-making, and consults with relevant professionals to adjust business strategies in a timely manner. So far, the company has not been affected by any significant domestic or foreign policy or legal changes in its financial business.

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

Although the industry in which the company operates is mature, there are currently no revolutionary technological alternatives to its products. However, the company will take proactive actions to develop new production technologies for related products in order to strengthen its competitiveness.

VI. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The company adopts a prudent and conservative business strategy, fulfills its responsibilities for occupational safety and environmental protection, and establishes a pragmatic corporate image. Currently,

there is no change in the company's corporate image, but the company continues to strengthen the crisis management awareness of its management team, develop preventive measures in advance, and avoid the occurrence of crises.

VII. Expected benefits and possible risks of mergers and acquisitions, and measures to be taken in response: The Company has no mergers and acquisitions in progress.

VIII. Expected benefits and possible risks of factory expansion, and measures to be taken in response: The Company has no factory expansion in progress.

IX. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

For procurement, the company has developed an imported slack wax from Thailand, acquired slack wax from Indonesia, and also regularly purchases crude wax from Iran through agents. In addition, the company has obtained raw material supplies from Japan for multi-party raw material procurement to ensure long-term stable supply of raw wax materials.

In terms of sales, the number of the company's customers has increased year by year, and the sales volume is becoming more evenly distributed, greatly reducing the risk of concentrated sales.

X. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: No impact.

XI. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

As of the date of publication of the annual report, the company's operations are normal, and there is no situation where changes in management rights have affected the company.

XII. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; 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, the annual report shall 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: There are currently no significant litigation, non-litigation, or administrative disputes.

XIII. Explanation and Response Measures for Information Security Risk Assessment and Analysis:

To strengthen the information security management of our company and ensure the security of data, systems, and networks, we have established an information security department responsible for coordinating information security and related matters. The audit department has also developed relevant internal control procedures to manage and regularly assess the potential loss caused by information security risks through internal audits. In the event of an information security incident that renders the information system inoperable or affects operational efficiency, the incident will be promptly reported to unit supervisors and personnel for related measures.

XIV. Other important risks, and mitigation measures being or to be taken: None.

Seven. Other Significant Events: None.

Special Disclosure

One. Summary of Affiliated Companies

Market Observation Post Systemhttps://mopsov.twse.com.tw/mops/web/t57sb01_q10

Two. Private Placements of Securities conduction has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Market Observation Post System<https://mops.twse.com.tw/mops/#/web/t116sb01>

Three. Other matters that require additional description: None.

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 occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None..