Stock Code：1432

TRK CORPORATION
2024 Annual Report

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One. Letter to Shareholders

Dear Shareholders,

Thank you for your ongoing support to TRK Corporation. Under the leadership of the Board of Directors and the management team, we continue to withstand and work tirelessly under the severe pandemic, bringing stable growth to the Company's operations.

I. Business Overview in 2024

To implement the Company's long-term development strategy, actively expand its investments in other businesses to enhance the Group's competitiveness and create long-term value. In 2024, the Company successfully raised NT$ 261 million through private placement, increasing its capital to NT$ 1.08 billion. It has also actively expanded into the U.S. market, having established a subsidiary in the U.S. in 2023, and this year successfully introduced a strategic investment partner. Through streamlined operations and resource concentration, the Company focuses on three core businesses, including department stores, sports and leisure, and construction development. The goal is to build a leading brand in sports and leisure experiential retail, enhance operational performance, and achieve long-term and stable development.

The Group's Current Major Business:

(I) Department store business:

TAROKO MALL (Taichung)

Since July 2015, Taroko and Fubon Life Insurance have rented the real estate of Taroko Mall with a total building area of 36,000 pings and a leased floor area of 21,000 pings. Under our team's years of hard work, we have successfully created a differentiated sports and leisure themed experience-oriented shopping mall. At present, the Mall has a complete lineup of catering and retail brands, and there is an abundance of healthy entertainment premises such as Taroko Bowling Alley, Taroko Sports, Indoor Basketball Court, Roller186, Yukids-Island, and VIE SHOW CINEMAS. In late December 2024, the Group's "Formosa Stone Spa" will be introduced to the station. This will also be the second store of Formosa in the country, and it will be the first exclusive store in Taichung. In 2025, the brand lineup in the mall will continue to be strengthened. It is expected that the overall entertainment industry will account for 24% and the catering industry will increase to 28% by mid-year. The mall is moving towards an experience-oriented shopping center.

In 2023, the new Japanese-style large shopping mall in the East District of Taichung revitalized the overall foot traffic and economy of the area. Taroko Mall saw explosive growth in performance, achieving the best annual results since the Taroko took over operations. Even after the honeymoon period of the new mall ended, in 2024, Taroko Mall's overall performance set a record for the second-best annual results in history, marking a shared prosperity and success within the business district. In the future, we will continue to enhance the brand lineup in the Mall, improve the cozy environment for shopping, and provide more abundant marketing activities; with the convenient transportation and location close to Taichung Railway Station, the Mall will continue to generate better and more stable income and profit momentum to the Company.

Taroko Square (Hsinchu)

The Company rented Taroko Square, a 22 479.338 m2 business premise built by RT-Mart. Since its grand opening in May 2018 and the launch of the new brand "Formosa Stone Spa" in May 2021, the Company is repeatedly covered by several news media and Taiwan's well-known travel platform KKday. The first "TSUTAYA BOOKSTORE" in Hsinchu was opened in April 2022, which is known as the world's most beautiful bookstore, and has successfully attracted visitors from all over Taiwan and become an attraction for urban sightseeing.

In late May 2023, the mall saw the opening of several prominent stores, including UNIQLO, ABC Mart, Marugame Seimen, Sukiya, and Japan's largest second-hand store, 2nd Street. In 2024, the mall achieved its best profitability since opening, with a significant annual sales growth of 17%. In 2025, the mall will continue to strengthen its brand lineup, with the anticipated opening of a limited-time MUJI pop-up store in March 2025. At the same time, the mall will continue to plan a variety of exciting marketing events, aiming to become a community mall in Hsinchu where people can enjoy great food, entertainment, and experiences.

Proprietary Trading Business Department

To enrich the operation of its two shopping malls, the Group has also established its own business department, investing in TSUTAYA BOOKSTORE, Wired Chaya Japanese Restaurant, CAMA Coffee, and MR. Curry at the Taroko Square in Hsinchu. In the future, the Company will continue to develop potential brands to enrich the shopping malls operated by the Group; it will even focus on research and development and creation of its own chain and franchise brands.

(II) Sports and Leisure Business:

TRK Corporation - Sports and Parenting Division

The Sports and Parenting Division of TRK Corporation mainly engages in sports, leisure and entertainment. There are 11 Taroko Sports, 4 bowling alleys, 1 kart circuit, and 3 "Roller 186" in Taiwan. , 1 "Formosa Stone Spa", 3 sports supplies counters and 10 branches of Yukids-Island.

By keeping the dream of development of Taiwan’s national ballgame in mind, the sports business departments are making efforts to achieve diversified services operating 24/7 in a fashionable, convenient and safe leisure and entertainment environment. We will also cooperate with the local professional baseball teams of the CPBL for the generation of well-known IP, as well as modifying and upgrading hardware equipment to create a new leisure and entertainment experience. Our goal is to introduce sports and leisure into the daily life of the general public, commit to provide the best experience service products, and continue to promote innovation in the industry, establishing differentiated products and services, and becoming the leader in experience entertainment.

The Sports and Parenting Division mainly operates facilities of "Yu kids-Island", which is a parent-child amusement park introduced from Japan in 2006. The amusement facilities are designed by a professional Japanese R&D team and have passed a number of safety tests, which meets both Japanese and Taiwanese safety toys standards. Currently, there are 10 branches across Taiwan, along with 8 “Yu Kids Art”, a well-known domestic chain brand for parent-child amusement parks. Yu kids-Island will continue to develop towards diversified services, providing more flexible and exclusive children's play environments that meet the needs of commercial partners.

The "Innovative Business Department" under the Sports and Parenting Division was established in 2021, and currently runs 3 roller skating rinks, "Roller 186", and 2 spa store, "Formosa Stone Spa". We are committed to R&D of new types of products and new operation management and business model. "Roller 186" combines the popularity of KOLs, online communities, and the highly social characteristics of roller sports to create a brand-new leisure and entertainment experience. It has become one of the most popular social leisure spots for the younger generation. To maintain operational momentum, a diversified management strategy will be adopted to drive performance, with a strong focus on promoting group business.

"Formosa Stone Spa" achieved success at its first store in the Hsinchu Taroko Square, indirectly validating that the widely popular bathing culture in Japan and Korea will become an essential for the quality-conscious lifestyle of Taiwanese people in the future. It also aligns with the health and beauty trends, contributing to excellent operational performance. The brand continues to receive recognition from Taiwan's leading deep tourism platform, KKday, as a key recommended product. In Q4, the second store was launched, optimizing space efficiency and upgrading services, which will bring new growth momentum to the Group.

(III) Construction and Development Business:

TAROKO ARCHITECTURE CO., Ltd.
"TAROKO ARCHITECTURE" participates in government projects of urban renewal mainly in Taipei City and New Taipei City to form a diversified alliance among the industry, and introduces the architectural concept of humanities, leisure, and health, and combines with domestic and foreign partners to develop profitable niche innovative leisure real estate products.

American Village Co., Ltd.
American Village Co., Ltd. is a company reinvested by TAROKO ARCHITECTURE. The 5000-ping "Yangmingshan American Resort" operated by it was rebuilt from the dormitory of the US military stationed in Taiwan in the 1960s, and it is also known in Taiwan as the resort with the most authentic American style. At present, the American Village includes 7 villa-type hotels, Cary's Restaurant, 1956 wedding banquet hall, Attic 80 studio, and Club 63 social/banquet hall.

The Company's consolidated financial statements prepared in accordance with the International Accounting Standards for the annual operating status of 2024 are as follows:
(I) Implementation of the Business Plan

Unit: NT$1,000

Items	2024	2023	Increased (Decreased) Amount	Ratio of Change
Operating Revenue	1,279,091	1,324,752	(45,661)	-3.45%
Operating Costs	(774,938)	(750,531)	(24,407)	3.25%
Gross Profit	504,153	574,221	(70,068)	-12.20%
Operating Expense	(519,632)	(493,779)	(25,853)	5.24%
Operating Loss	(15,479)	80,442	(95,921)	-119.24%
Non-operating Income and Expense	(41,745)	(27,047)	(14,698)	54.34%
Income Before Tax	(57,224)	53,395	(110,619)	-207.17%
Income Tax Expense	-	1,585	(1,585)	-100.00%
Profit and Loss After Tax	(57,224)	54,980	(112,204)	-204.08%
Earnings (losses) Per Share	(0.47)	0.67	(1.14)	-170.15%

(II) Budget Implementation
The Company has not published the financial forecast for 2024, hence it is not necessary to disclose the budget implementation.

(III) Analysis of Financial Income and Expense and Profitability

Analysis Items			Financial Analysis	
			2024	2023
Financial Structure (%)	Ratio of Liabilities to Assets		80.24%	83.80%
	Ratio of Long-term Funds to Fixed Assets		167.76%	159.72%
Profitability	Return on Assets (%)		-0.03%	2.19%
	Return on Shareholders' Equity (%)		-6.11%	7.24%
	Ratio of Paid-in Capital	Operating Profit (%)	-1.43%	8.94%
		Net Profit Before Tax(%)	-5.30%	5.93%
	Net Profit Margin (%)		-4.47%	4.15%
	Earnings Per Share		(0.47)	0.67

(IV) Research and Development

The Company is involved in the sports and leisure business, operating department stores and sports and leisure business. Since 2024, the Company has established the "Technological R&D Department". It is mainly responsible for the R&D of products and technologies of the sports department in accordance with internal control and capital management guidelines. Responsible for the maintenance and repair of all major electrical, mechanical equipment and self-operated equipment in the venues. Management of access engineering, computer room, inventory, equipment and work environment safety. And, we provide technical support for international market development.

II. Summary of Business Plan of 2025

The Company has always adhered to the highest management principles of "customer first, teamwork, innovation and challenge, and sustainable operation". Facing the rapidly changing environment, the gap between digital shopping and physical shopping is getting closer. The market is becoming more diversified, digitalized, and smarter. In addition to providing customers with a comfortable environment, physical channels need to strive to create innovative and different shopping malls to offer more consumer entertainment choices. We have been engaging in the parenting sports and leisure business for more than 20 years, and have always adhered to the above-mentioned core concept, and will continue to have it as our operating standard in the future. Since 2019, we have actively rectified our business units, carried out organizational reforms, and at the same time strengthened the financial structure by focusing on experience shopping malls and sports and leisure businesses. It is expected that in 2025, the development of various businesses will be improved, and the leading brand of sports and leisure experience business will be firmly established, and the overall operating efficiency will be achieved.

III. Future Corporate Development Strategy

After reorganization and integration, the Company has concentrated its resources on the three major aspects respectively known as shopping mall operation, sports and leisure, and construction and development. In response to the industry characteristics and overall market changes of its businesses, the Company continues to strengthen the competitiveness of its sports and leisure sector. In addition to entering Chiayi City with a baseball and softball batting field in 2020, the Company has actively developed emerging experiential business models in recent years. Since 2021, the Company has successively launched the classic Ice Palace "Roller 186" and authentic Japanese-style rock baths and relaxation spaces, creating a completely new recreational experience. The Company will continue to focus on the management of experiential malls and the core sports and leisure business, fostering creativity and continuous innovation to ensure the healthy development of future businesses, with the goal of creating more stable value for all shareholders.

IV. Impact from the external competition, regulatory and overall business environment

(I) The impact of the external competition

In response to the industrial characteristics of the business and the changes in the overall market, the Company and its subsidiaries will not only stick to quality improvement and strive to develop and operate the original sports and leisure industry that has been invested in for years, but will also actively engage in real estate development and experience sports and leisure to seek profit opportunities in the industry.

TAROKO MALL Taichung is located at the key location that can conveniently access Taiwan Railway, long-distance personnel transportation and other transportation hubs. Therefore, there are many visitors on weekdays and holidays, and Mall can cover a large scope of potential consumers, which will help attract long-distance business travelers or tourists. However, it is the general trend that online shopping will impact physical stores since consumers can select the products they want without personally going out from their homes. In addition, the successive opening of outlets has intensified the market competition among the department stores and retail industry. Therefore, diversifying operations, strengthening market segmentation and brand image, and providing products in line with market positioning will be the goal of the Company’s ongoing efforts.

(II) Impact from regulatory environment
The Company keeps abreast of changes in important domestic and foreign policies and regulations, and immediately consults accounting firms, lawyers and other professionals to provide relevant information as a reference for decision-making at the management level, so as to respond to impact from changes in important policies and laws at home and abroad, and timely adjust the Company's operating strategies.

(III) Impact from the overall business environment
Looking back at the retail consumer market in 2024, the overall leisure and entertainment sector showed a slight slowdown compared to the post-pandemic surge, resulting in a decline in overall operating performance compared to the previous year. However, toward the end of the year, driven by the excitement surrounding the WBSC Premier 12, where Taiwan clinched the world championship, Taroko became a major outlet for national celebrations. This significantly boosted the performance of certain business units. The Company will also leverage its recent management experience optimized through mergers to solidify growth momentum and actively expand synergies.

We sincerely wish each and all shareholders the healthy life and good fortune!

Lin, Man-Li, Chairman

Wang Ying-Chih, General Manager

Two. Corporate Governance Report

I. Information on directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

(I) Basic information and shareholding of directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

1. Directors Information

As of March. 25, 2025; Unit: Shares

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Corporate director	ROC	Sangong International Co., Ltd.	None	June 1, 2022	3 years	June 19, 2012	7,202,532	8.00	7,278,532	6.73	0	0	0	0	None	None	None	None	None	
Chairman Corporate director Representative	ROC	Lin Man-Li	Female 71-80	June 1, 2022	3 years	June 8, 1994	8,611,313	9.57	7,727,539	7.15	0	0	0	0	Shih Chien School of Home Economics Chairman of KYCC	Chairman of the Company Chairman of Lu Hsin Co., Ltd. Director of San-sheng Co., Ltd. Chairman of Sangong Lease Co., Ltd. Chairman of Sangong International Co., Ltd. Chairman of Sangong Co., Ltd. Chairman of Gongcheng Co., Ltd. Chairman of Hsiehlin Co., Ltd. Chairman of G-RUN CORPORATION Chairman of TAROKO ARCHITECTURE CO., Ltd. Chairman of Taroko Entertainment Co., Ltd. Chairman of Hualien Media International Co.,	None	None	None	

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
																Ltd Director of He Chen Development Co.,Ltd. Director of Ya Chen Development Co.,Ltd.				
President Corporate director Representative	ROC	Wang Ying-Chih	Female 51-60	June 1, 2022	3 years	February 23, 2018	465,878	0.52	1,072,718	1.70	0	0	0	0	Gakushuin University of Japan	President of the Company Representative of the corporate director of the Company Chairman of HANEGI CO., LTD. Chairman of LA TRINITE NATURELLE CORP. Supervisor of TAROKO ARCHITECTURE CO., Ltd.	None	None	None	
Executive Vice President Corporate director Representative	ROC	Ma, Chen Wei	Male 51-60		3 years		0	0	0	0	0	0	0	0			None	None	None	
Corporate director Representative	ROC	CHENG,YUAN-CHENG	Male 61-70		3 years		0	0	100,000	0.09	0	0	0	0	Graduate Institute of Industrial Education, National Taiwan Normal University	Vice Principal, Keelung Er Xin High School	None	None	None	
Corporate director	ROC	Tongqingxin Creative Investment Co., Ltd.	None	June 1, 2022	3 years	June 1, 2022	2,728,000	3.03	2,660,000	2.46	0	0	0	0	None	None	None	None	None	
Corporate director Representative	ROC	Hsu Yung-Chang	Male 41-50	June 1, 2022	3 years	June 1, 2022	0	0	0	0	0	0	0	0	National Chung Cheng University Vice President of CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Vice President of CHANG SHIN CONSTRUCTION & DEVELOPMENT	Representative of the corporate director of the Company President of CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Executive Director of CHANG SHIN CONSTRUCTION	None	None	None	

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
															CO., LTD.	& DEVELOPMENT CO., LTD. Chairman, Sheng Yu Construction Co., Ltd. Director, Chang Shin Construction & Development Co., Ltd. Director, Tongqingxin Creative Investment Co., Ltd. Director, Ying Feng Capital Co., Ltd. Director, Vision Creative Co., Ltd. Director, Drilling Yi Industrial Co., Ltd. Representative Director, Lu Hsin Co., Ltd.				
Independent Director	ROC	Lin Wen Yuan	Male 71-80	June 1, 2022	3 years	June 14, 2016	0	0	0	0	0	0	0	0	Department of Water Resources and Environmental Engineering Tamkang University Master, Institute of Civil Engineering, Hawaii State University	Chairman, Taiwan Styrene Monomer Corporation Chairman, Eastern Broadcasting Co., Ltd. Chairman, Overseas Investment & Development Corp. Chairman, Tian Lai Hotel Co., Ltd. Director, Nanhe Property Co., Ltd. Director, Gloria Material Technology Corp. Independent Director, Locus Cell Co., Ltd.	None	None	None	
Independent director	ROC	Huang Ming-You	Male 71-80	June 1, 2022	3 years	2016.06.14	0	0	0	0	0	0	0	0	Department of Accounting, College of Business Administration, Soochow University	Chairman of Chuan Cheng Investment Co., Ltd. Chairman, Chuan-Cheng Want-Want Investment Co., Ltd. Independent Director, Hotai	None	None	None	

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
																Finance Co., Ltd. Independent Director, Zinwell Corporation Independent Director, SOLOMON Technology Corporation Director, Bole Film Director, Jollify Creative, Ltd. Director, Jollify4ever Ltd. Director, ASCENT DEVELOPMENT Co., Ltd.				
Independent Director	ROC	Chou Tsang-Hsien	Male 51-60	June 1, 2022	3 years	June 1, 2022	0	0	0	0	0	0	0	0	PhD of Jilin University Master of Laws (LL.M.) of National Taipei University Deputy Chairman of the Commercial Laws Committee of General Chamber of Commerce of the Republic of China	Associate of LCC Partners Law Office Associate of TransAsia Lawyers Chief Legal Officer of K LASER Group General Manager, Glory Group Medical Co., Ltd.	None	None	None	
Independent Director	ROC	Chen Chun-Chi	Male 51-60	June 1, 2022	3 years	June 1, 2022	0	0	0	0	0	0	0	0	Master, College of Management, National Taiwan Sport University Secretary General of CPBL Director of Fubon Guardians	Secretary General of Taiwan Indigenous Baseball Development Association Chairman of SINO-RYUKYUAN Cultural Economic Association	None	None	None	

2. Major shareholders of institutional shareholders

March 28, 2025

Names of institutional shareholders	Major shareholders of institutional shareholders and shareholding	
Sangong International Co., Ltd.	San-sheng Co., Ltd.	99.99
	Hsieh Kuo-Tong	0.01
Tongqingxin Creative Investment Co., Ltd.	Hsu Yung-Chang	25.00
	Lan Shu-Chen	25.00
	Jiang Xin-ying	50.00

3. If the main shareholder is a legal person, the main shareholder:

March 28, 2025

Legal person name	Major shareholders of legal persons and shareholding (%)	
San-sheng Co., Ltd.	LION POWER LIMITED	75.25
	Lin Man-Li	24.74
	Wang Ying-Chih	0.01

4. Directors Information

(I) Disclosure of information on directors' professional qualifications and the independence of independent directors:

<table>
<tr><th>Name</th><th>Title</th><th>Professional qualifications and experience</th><th>Independence of independent directors</th><th>Number of other public companies where the individual serves as an independent director concurrently</th></tr>
<tr><td>Lin Man-Li</td><td>Chairman
Representative of the corporate director</td><td rowspan="9">For directors' professional qualifications and experience, please refer to P.12~P.14 herein,
None of the directors has any of the conditions specified in Article 30 of the Company Act.
(Note 1)</td><td rowspan="5">The directors are not related by marriage or within the second degree of kinship.</td><td rowspan="5">N/A</td></tr>
<tr><td>Wang Ying-Chih</td><td>Representative of the corporate director</td></tr>
<tr><td>Ma, Chen Wei</td><td>Representative of the corporate director</td></tr>
<tr><td>CHENG,YUAN-CHENG</td><td>Representative of the corporate director</td></tr>
<tr><td>Hsu Yung-Chang</td><td>Representative of the corporate director</td></tr>
<tr><td>Lin Wen Yuan</td><td>Independent Director</td><td rowspan="4">All independent directors meet the following conditions:
1. Meet the provisions set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act.
2. The independent director (or using the name of others), the spouse and minor children do not hold shares in the Company.
3. No remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.</td><td>1</td></tr>
<tr><td>Huang Min-You</td><td>Independent Director</td><td>3</td></tr>
<tr><td>Chou Tsang-Hsien</td><td>Independent Director</td><td>0</td></tr>
<tr><td>Chen Chun-Chi</td><td>Independent Director</td><td>0</td></tr>
</table>

Note 1: A person who is under any of the following circumstances shall not act as a managerial personnel of a company. If he has been appointed as such, he shall certainly be discharged:

1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offense in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2:

1. Not the government, juridical person, or representative thereof elected as per Article 27 of the Companies Act.
2. No more than three public companies where the individual serves as an independent director concurrently.
3. There is no one of the following circumstances in the two years before the election and during the term of office:

(1) An employee of the company or any of its affiliates.
(2) A director or supervisor of the company or any of its affiliates.
(3) Director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares

of the Company by nominee arrangement or with top ten ownership.

(4) The manager listed in (1) or the spouse, relatives within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3).

(5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director of the company under Article 27 of the Company Act.

(6) A majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.

(7) The chairperson, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

(8) A director, supervisor, executive officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

(9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. However, this does not apply to those who serve as members of the Company's Remuneration Committee.

(II) Independence of the Board of Directors:

a. Board structure: The Company has established a director election system. The election process for all directors is open and fair. According to the provisions of the “Articles of Incorporation”, “Regulations Governing the Election of Directors and Independent Directors”, “Corporate Governance Best-Practice Principles”, “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and “Article 14-2 of the Securities and Exchange Law” of the Company, the composition of the current Board of Directors accounts for 4 independent directors (44.44%) and 5 non-independent directors (55.55%).

b. The Board of Directors is independent: the Board of Directors of the company guides the company's strategy, supervises the management level, and is responsible to the Company and shareholders. In the various operations and arrangements of the corporate governance system, the Board of Directors follows the laws, the Company's Articles of Incorporation, or the resolutions of the shareholders' meeting to exercise powers. The Company's Board of Directors emphasizes the functions of independent operation and transparency. Directors and independent directors are independent individuals and independently exercise their powers and duties. The four independent directors also follow the relevant laws and regulations, cooperate with the powers of the Audit Committee, review the management and control of the company's existing or potential risks, etc., so as to effectively supervise the effective implementation of the Company's internal control, the selection (dismissal) of certified public accountants, and independence and proper preparation of financial statements. In addition, according to the Company's "Regulations Governing the Election of Directors and Independent Directors", the election of directors and independent directors adopts a cumulative voting system and a candidate nomination system to encourage shareholders to participate. Shareholders holding more than a certain number of shares may submit a list of candidates. The review of the qualifications of candidates and the confirmation of violations of the items listed in Article 30 of the Company Act, and the relevant acceptance operations are carried out and announced in accordance with the law to protect the rights and interests of shareholders, so as to avoid monopoly or excessive nomination to maintain the independence.

c. The Company has established a performance evaluation system for the Board of Directors, and conducts an internal self-evaluation of the Board of Directors and self-evaluation of directors once a year; Every three years, the external professional independent institutions or external teams of experts and scholars shall conduct the evaluation, and the annual performance evaluation shall be conducted at the end of each year. The results of the internal and external performance evaluation of the Board of Directors shall be completed before the end of the first quarter of the following year. The relevant self-assessment results are disclosed in the Company's annual report and official website after being submitted to the Board of Directors.

In addition, in order to let the investing public fully understand the operation of the Company's Board of Directors, relevant information has also been disclosed in the company's annual report, official site or MOPS of TWSE.

1. Attendance of Board members at meetings;
2. Proposals and resolutions of the Board of Directors;
3. Directors' continuing education; and
4. Changes in shareholdings of directors (please refer to the Market Observation Post System of the TWSE for information on shareholding ratio, transfer of shares, and setting of pledge, etc.).

(3) The diversity of Board members and its achievement:
Since March 2022, the candidate's nomination system has been adopted for the election of all directors of the Company. According to the Company's "Corporate Governance Best-Practice Principles", the structure of the Board of Directors shall be based on the Company's business development scale and the shareholdings of major shareholders. After taking into account the operational needs, the appropriate number of directors is 9 or more. The composition of the Board of Directors should consider diversity. Except that the number of directors who concurrently hold the position of managers may not exceed one-third of the seats on the Board to formulate an appropriate diversity policy, appropriate diversity guidelines should be formulated in line with its own operations, business model and development needs. The members of the Board should have different professional knowledge and skills (business, finance, accounting, industry background, professional skills, and industry experience) or gender, age, etc. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole shall have the following competencies: I. Ability to make operational judgments.
II. Ability to perform accounting and financial analysis.
III. Ability to conduct management administration.
IV. Ability to conduct crisis management
V. Knowledge of the industry.
VI. An international market perspective.
VII. Ability to lead.
VIII. Ability to make decisions.
The nine current Directors of the Company are all native nationals. All of them have the knowledge, skills and education required to perform their duties (please refer to P.12 - P.14 of the annual report for major experience and academic backgrounds of directors). The directors have extensive professional backgrounds, professional skills and industrial experience in business, finance, accounting and industry respectively; among them, two are female directors (22.22%, Lin Man-Li and Wang Ying-Chih). Among the directors, three are aged 71-80 (33.33%, Lin Man-Li, Lin Wen-Yuan, Huang Ming-You), one is aged 61-70 (11.11%, CHENG,YUAN-CHENG), four are aged 51-60 (44.44%, Wang Ying-Chih, Ma, Chen Wei,Chou Tsang-Hsien, Chen Chun-Chih), and one are aged 41-50 (11.11%, Hsu Yung-Chang,). The Company will consider the diversified composition of the Board of Directors and select those with the knowledge, skills and literacy necessary to perform their duties as directors. Specific goals will be set in the future to promote gender equality and increase the proportion of female directors.

Title	Chairman	Director	Director	Director	Director	Independent Director			
Name	Lin Man-Li	Wang Ying-Chih	Ma, Chen Wei	CHENG, YUAN-CHENG	Hsu Yung-Chang	Lin Wen Yuan	Huang Min-You	Chou Tsang-Hsien	Chen Chun-Chi
Gender	Female	Female	Female	Female	Male	Male	Male	Male	Male
Nationality	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC
Age	71~80	51~60	51~60	61~70	41~45	71~80	71~80	51~60	51~60
Concurrently an employee of the Company	V	V	V	V					
Expertise and competence									
Business	V	V	V	V	V	V	V	V	V
Finance/accounting		V	V				V		
Law								V	
Competence and experience required by the Company	V	V	V	V	V	V	V	V	V
Ability and experience									
Ability to make operational judgments	V	V	V	V	V	V	V	V	V
Ability to perform accounting and financial analysis	V	V	V	V	V	V	V	V	V
Ability to conduct management administration	V	V	V	V	V	V	V	V	V
Ability to conduct crisis management	V	V	V	V	V	V	V	V	V
Knowledge of the industry	V	V	V	V	V	V	V	V	V
An international market perspective	V	V	V	V	V	V	V	V	V
Ability to lead	V	V	V	V	V	V	V	V	V
Ability to make decisions	V	V	V	V	V	V	V	V	V

(II) Information on directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

March 25, 2025

Title	Nationality	Name	Gender	Date elected	Shareholding		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers of the Company			Remarks
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
President	ROC	Wang Ying-Chih	Female	March 12, 2024	1,834,718	1.70	0	0	0	0	Gakushuin University of Japan	President of the Company Representative of the corporate director of the Company Chairman of HANEGI CO., LTD. Chairman of LA TRINITE NATURELLE CORP. Supervisor of TAROKO ARCHITECTURE CO., Ltd.	None	None	None	
CEO Deputy General Manager	ROC	LIN YUNG CHUN	Male	September 16, 2024	30,000	0.03	0	0	0	0	EMBA, National Chi Nan University	Executive Vice President of the Company CEO, Shanghai G-RUN Sports Management Co., Ltd. President, Shanghai Aoyuan Recreation And Management Co., Ltd.	None	None	None	

Title	Nationality	Name	Gender	Date elected	Shareholding		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers of the Company			Remarks
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Deputy General Manager	ROC	Shih-Ning Kuo	Female	February 17	70,000	0.06	0	0	0	0	MSc Urban Regeneration and Development, University of Manchester, UK Executive Master of Business Administration (EMBA), College of Management, National Sun Yat-sen University Director, Business Development Division and Director, Audit Division, Kaohsiung Rapid Transit Corporation	General Manager, Overseas Business Division of the Company	None	None	None	
Assistant Vice President	ROC	Liao Chih-Hsuan	Male	May 11 2023	2,000	0.00	2,000	0	0	0	Master of Recreational Sports Management, National Taiwan Institute of Physical Education	Assistant Vice President of the Company Store Manager, Taroko Square (Hsinchu) Deputy Manager of Sales Department, Taroko Avenue Shopping Mall Department Manager, Taimao Shopping Malls	None	None	None	

Title	Nationality	Name	Gender	Date elected	Shareholding		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers of the Company			Remarks
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Assistant Vice President	ROC	Huang Chun-yuan	Male	May 9 2024	10,000	0.01	0	0	0	0	Vanung University	Senior Manager of the Company Assistant Manager, Chuang Yueh Enterprise Co., Ltd. Manager, G-RUN CORPORATION	None	None	None	
Chief Accounting Officer	ROC	Chen Pei-Ting	Female	January 27, 2022	30,000	0.03	0	0	0	0	Associate, Deloitte Taiwan Associate, Hua Nan Securities Co., Ltd	Accounting Manager of the Company	None	None	None	
Financial Officer	ROC	Lin Li-Ling	Female	January 27, 2022	20,000	0.02	0	0	0	0	Section Chief, JLL Taiwan Assistant Manager, TRK Corporation	Finance Manager of the Company	None	None	None	

Note 1: If the chairman of the Company and the President or the staff of equivalent level (top manager) are the same person, spouses or relatives of first degree of kinship, please provide the relevant information including reasons, rationality, necessity and countermeasures (such as increasing the number of seats of independent directors, and there shall be more than half of the directors not serving as employees or managers concurrently):None.

II. Remuneration paid to directors, supervisors, the President, and Vice Presidents in the most recent year

(I) Remuneration to general and independent directors (individual disclosure by name and amount)

Unit: NT$ thousand/thousand shares

Title	Name	Remuneration to directors								Sum of A, B, C, and D as a % of the net income after tax		Remuneration received for serving as an employee concurrently								Sum of A, B, C, D, E, F, and G as a % of the net income after tax		Is there remuneration from investees other than subsidiaries
		Base remuneration (A)		Severance and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Corporate director	Sangong International Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Representative of the corporate director	Lin Man-Li Chairman	0	0	0	0	0	0	0	0	0	0	1,921	2,521	0	0	0	0	0	0	4.11	4.40	0
	Wang Ying-Chih	0	0	0	0	0	0	0	0	0	0	2,148	2,868	94	94	0	0	0	0	4.80	5.18	0
	Ma, Chen Wei	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	CHENG,YUAN-CHENG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hsu Yung-Chang	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Independent Director	Lin Wen Yuan	960	960	0	0	0	0	0	0	2.05	1.68	0	0	0	0	0	0	0	0	2.05	1.68	0
	Huang Min-You	960	960	0	0	0	0	0	0	2.05	1.68	0	0	0	0	0	0	0	0	2.05	1.68	0
	Chou Tsang-Hsien	600	600	0	0	0	0	0	0	1.28	1.05	0	0	0	0	0	0	0	0	1.28	1.05	0
	Chen Chun-Chi	600	600	0	0	0	0	0	0	1.28	1.05	0	0	0	0	0	0	0	0	1.28	1.05	0

Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:

The review of remuneration policies, payment standards, and systems for the Company's directors and managers primarily considers the Company's overall operational status. The payment standards are determined based on the achievement rate and contribution of financial and non-financial indicators, and are established with reference to factors such as industry standards. Furthermore, indicators such as the Company's future operational risks are also considered, with a positive correlation to operating performance.

(For details, please refer to Section (VII) of this Annual Report: Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure)

2. In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies in the financial statements/investment businesses):None

(II) Remuneration to supervisors (individual disclosure by name and amount) :Not applicable. The Company established an Audit Committee to replace supervisors since June 1, 2022.

(III) Remuneration to president and vice president (individual disclosure by name and amount)

Unit: NT$ thousand/thousand shares

Title	Name	Salary (A)		Severance and pension (B)		Remuneration, bonus, and allowance (C)		Employee remuneration (D) (Note 2)				Sum of A, B, C, and D as a % of the net income after tax		Is there remuneration from investees other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Wang Ying-Chih Note 3	2,148	2,868	94	94	0	0	0	0	0	0	4.80	5.18	0
CEO Deputy General Manager	LIN YUNG CHUN Note 3	931	931	32	32	0	0	0	0	0	0	2.06	1.68	0

Note 1: Remuneration to the president and vice presidents have been disclosed by name.
Note 2: No employee stock option was issued to any of the above managers and there was no issuance of shares for capital increase through transfer of employee remuneration in the current year.
Note 3: On September 16, 2024, Mr. Lin Yung-Chun was appointed as the new CEO and Vice President of the Company.

(IV) Name of the manager who receives employee remuneration and distribution:

Title	Name	Stock amount (Note 1)	Cash amount (Note 2)	Total	Total as a percentage of net income after tax (%)
President	Wang Ying-Chih	0	0	0	0
CEO Deputy General Manager	LIN YUNG CHUN	0	0	0	0
Executive Vice President	Li Yi-Chuan	0	0	0	0
Assistant Vice President	Liao Chih-Hsuan	0	0	0	0
Assistant Vice President	Huang Chun-yuan	0	0	0	0
Assistant Vice President	Zheng Shu-hu	0	0	0	0
Corporate Governance Officer	Chen Wei-Hung	0	0	0	0
Financial Officer	Lin Li-Ling	0	0	0	0
Chief Accounting Officer	Chen Pei-Ting	0	0	0	0

Note 1: The Company did not issue shares by transferring employee remuneration to capital.
Note 2: As of the end of 2023, as there were accumulated losses to be covered, no remuneration was distributed to employees.

(V) Remuneration to the top 5 executives of the TWSE/TPEX listed company (individual disclosure by name and amount)

Unit: NT$ thousand/thousand shares

Title	Name	Salary (A)		Severance and pension (B)		Remuneration, bonus, and allowance (C)		Employee remuneration (D)				Sum of A, B, C, and D as a % of the net income after tax		Is there remuneration from investees other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Lin Man-Li	1,921	2,521	0	0	0	0	0	0	0	0	4.11	4.40	0
President	Wang YingChih	2,148	2,868	94	94	0	0	0	0	0	0	4.80	5.18	0
General Consultant	Hsu Chun-Chi	2,102	2,102	104	104	0	0	0	0	0	0	4.72	3.86	0
Executive Vice President	Li Yi-Chuan	2,523	2,523	148	148	0	0	0	0	0	0	5.72	4.67	0
Assistant Vice President	Liao Chih-Hsuan	1,585	1,585	91	91	0	0	0	0	0	0	3.59	2.93	0

Note 1: On February 3, 2025, Executive Vice Presiden dismissed as deputy general manager.

(VI) Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, during the past 2 fiscal years to directors, supervisors, president, and vice president

Title	Total remuneration, as a percentage of net income, during the past 2 fiscal years to directors, supervisors, president, and vice president %			
	2024		2023	
	The Company	Companies included in the consolidated statements	The Company	Companies included in the consolidated statements
Director	20.31	19.98	21.23	25.65
Supervisor	0	0	0	0
President and Vice President	18.76	25.49	13.04	15.58

(VII) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The Company has established the Remuneration Committee comprising three independent directors as committee members. In accordance with Article 7 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", the Remuneration Committee regularly evaluates and determines the remuneration to directors and managers. The remuneration to directors, General Manager, Deputy General Managers, and Assistant Vice Presidents is reviewed and approved by the Remuneration Committee and then submitted to the Board of Directors for resolution.

(I) Independent Directors:

According to the Company's Articles of Incorporation, the remuneration to all directors is determined by the Board of Directors based on their level of participation in the Company's operations, value of contributions, and with reference to industry standards.

Independent directors, when performing the Company's business, receive a fixed monthly remuneration ranging from NT$50,000 to NT$100,000, regardless of the Company's profitability, based on their individual attendance rate, time invested, and level of participation in the Company's operations. If an independent director also serves as a member of a functional committee, their fixed remuneration is still received on a combined basis. Additionally, the Company does not provide special expense allowances to directors, and independent directors do not participate in the distribution of directors' remuneration.

(II) Directors:

According to the Company's Articles of Incorporation, the remuneration to all directors is determined by the Board of Directors based on their level of participation in the Company's operations, value of contributions, and with reference to industry standards.

According to the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate no more than 2% of the profit as remuneration to directors. However, the Company's accumulated losses shall be covered first. The remuneration distributed from earnings shall be submitted to the Board of Directors for review and approval by the shareholders' meeting. Directors who also serve as employees are treated as general employees and are governed by the Company's relevant management regulations. The Company does not provide special allowances for directors.

(III) Managers:

The remuneration to the managers is determined in accordance with the "Directors' and Managerial Officers' Remuneration and Performance Evaluation Management Regulations" whereby the remuneration, year-end bonus and other rewards or non-cash rewards, such as employee stock options, transfer of treasury stock to employees, are determined by the Company's relevant management system or regulations, taking into consideration the Company's operational performance, individual performance, responsibilities, work contributions, and market competitiveness. The remuneration is submitted to the Remuneration Committee and the Board of Directors for review and approval before execution.

The performance evaluation items for managers are divided into the following two main parts to calculate their remuneration based on operating performance. The remuneration system is reviewed and adjusted in a timely manner according to actual operating conditions and relevant laws and regulations.

I. Financial indicators: Based on managerial capability, financial structure, and profitability, evaluated according to the Company's revenue targets, net profit after tax, gross profit margin, operating profit and loss, and other indicators.

II. Non-financial indicators: Based on managers' corporate governance and operational management capabilities, evaluated according to the effectiveness of the Company's internal management and employer brand management, legal

compliance, information security management, occupational accident prevention, and other indicators.
Additionally, according to the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate no more than 0.5% to 1% of the profit as remuneration to employees. However, the Company's accumulated losses shall be covered first. The remuneration distributed from earnings shall be submitted to the Board of Directors for review and approval by the shareholders' meeting.

In summary, the review of remuneration policies, payment standards, and systems for the Company's directors and managers primarily considers the Company's overall operational status. The payment standards are determined based on the achievement rate and contribution of financial and non-financial indicators, and are established with reference to factors such as industry standards. Furthermore, indicators such as the Company's future operational risks are also considered, with a positive correlation to operating performance.

III Implementation of corporate governance

(I) The state of operation of the Board of Directors:

1. The Board held 12 meetings in the most recent fiscal year(A) (2024.01.01-2024.12.31: 11 meetings; 2025.01.01-2025.03.11:13 meetings).

Attendance of directors:

Title	Name	Attendance in person B	Attendance by proxy	Attendance Rate [B/A]	Remarks
Chairman	Representative of San Gong International Co., Ltd.: Lin Man-Li	13	0	100%	
Director	Representative of San Gong International Co., Ltd.: Hsieh Kuo-Tong	4	0	100%	Note 1
Director	Representative of San Gong International Co., Ltd.: Wang Ying-Chih	13	0	100%	
Director	Representative of San Gong International Co., Ltd.: Li Yi-Chuan	8	0	100%	Note 2
Director	Representative of San Gong International Co., Ltd.: Ling-Yan Chen	4	0	100%	Note 1 Note 3
Director	Representative of San Gong International Co., Ltd.: Ma, Chen Wei	5	0	100%	Note 2
Director	Representative of San Gong International Co., Ltd.:CHENG,YUAN-CHENG	4	1	80%	Note 3
Director	Tongqingxin Creative Investment Co., Ltd. Representative : Hsu Yung-Chang	11	2	85%	
Independent Director	Lin Wen Yuan	12	1	92%	
Independent Director	Huang Min-You	13	0	100%	
Independent Director	Chou Tsang-Hsien	12	0	92%	
Independent Director	Chen Chun-Chi	13	0	100%	
Average attendance rate				96%	

Note 1: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.

Note 2:On July 3, 2024, the former representative of corporate director, Mr. Li Yi-Chuan, was reappointed by Sangong International Co., Ltd. for Mr. Ma, Chen Wei.

Note 3:On July 3, 2024, the former representative of corporate director, Ms. Ling-Yan Chen, was reappointed by Sangong International Co., Ltd. for Mr. CHENG,YUAN-CHENG.

Additional information:

I. If the operations of the Board of Directors is under any of the circumstances below, the date of the Board meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Please refer to "Important Resolutions of the Board of Directors" and the state of operation of the Audit Committee of this annual report. All independent directors unanimously agreed to the motions.

(II) Except for the above matters, other matters resolved by the Board of Directors with objection or reservation made by any independent directors, with records or a written statement: N/A.

II. In the event of directors' recusal from proposals, the name of director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified:

Date of meeting	Session of meeting	Contents of the motion	Name of recusing director	Reason for recusal	Participation in voting
2024/01/15	The 12th meeting of the 15th	Proposal for year-end bonuses to the Chairman and managers	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/02/21	The 14th meeting of the 15th	Approval for authorizing the Chairman to purchase real estate and sign contracts.	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.

2024/03/12	The 15th meeting of the 15th	The President of the Company, Mr. Hsieh Kuo-Tong, resigned from the position of President and became a strategic consultant.	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/03/12	The 15th meeting of the 15th	Appointment of the Company's President.	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/03/12	The 15th meeting of the 15th	Lifting of non-compete restrictions on the managerial officer (president) of the Company.	Lin Man-Li, Hsieh Kuo-Tong, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/04/15	The 16th meeting of the 15th	The Company signed a joint investment and construction contract with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Ji-Lin.	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/04/15	The 16th meeting of the 15th	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NTD 124,800 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/06/13	The 18th meeting of the 15th	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NT$ 144,000 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan. (The actual amount is subject to the bank's loan approval)	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/06/20	The 19th meeting of the 15th	The Company has signed an amendment agreement with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Chi-Lin.	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/06/20	The 19th meeting of the 15th	The Company intended to cancel endorsement/guarantee for the co-investor and builder as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/06/20	The 19th meeting of the 15th	The Company intended to make an endorsement/guarantee for the co-investor, Xunying Investment Co., Ltd., for the reconstruction project of the urban renewal of Land Nos. 538, 540, and 541 in Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan, as per the agreement. (The actual amount is subject to the bank's loan approval)	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/08/08	The 21th meeting of the 15th	The Company has acquired the right-of-use assets from related parties (signing of the lease agreement for the Taipei Xinzhuang batting field).	Lin Man-Li	Positions of Chairman	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/11/08	The 22h meeting of the 15th	The Company's proposal for the year-end bonus policy for the Chairman and Managers in 2024.	Lin Man-Li	Positions of Chairman	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.

III. Listed OTC companies should disclose the self-evaluation of the board of directors (or peers): please refer to P.23 of this Annual Report.

IV. Objectives (e.g., forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation:

(I) To fulfill the Company's corporate social responsibility and achieve the goal of sustainable development, the Company has adopted Article 9 of the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," Article 27 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Article 9 of the Company's "Sustainable Development Best Practice Principles," a Sustainable Development Committee was established on 2023/11/09, whose main purpose is to implement corporate governance, develop a sustainable environment, maintain social welfare, and enhance corporate sustainability information disclosure.

(II) Implementation status: To implement the sustainable development of the Company and improve the implementation of sustainable affairs, external consultants are appointed for guidance. There are plans to complete the 2024 greenhouse gas inventory in 2025, and to complete the 2024 sustainability report in 2025, and a third party shall be engaged to conduct verification on them. Proposals shall be submitted to the Sustainable Development Committee for regular review of the effectiveness of its operation. After approval, it shall be submitted to the Board of Directors for resolution.

Attendance at Board Meetings in 2024 and 2025

☆ Attended in person ◎ Attended by proxy *Did not attend

Date of Board Meeting	2024											2025		Remarks
	Jan. 15	Feb. 5	Feb. 21	Mar. 12	April. 15	May. 9	June. 13	June. 20	July 15	Aug. 8	Nov. 8	Jan. 15	Mar. 11	
Lin Wen Yuan	☆	☆	☆	☆	☆	◎	☆	☆	☆	☆	☆	☆	☆	
Huang Min-You	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	
Chou Tsang-Hsien	☆	☆	☆	☆	*	☆	☆	☆	☆	☆	☆	☆	☆	
Chen Chun-Chi	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	

2. Date of Board Appraisal

Cycle	Period	Scope	Method	Content
Once a year on a regular basis (Internal evaluation)	Jan. 1, 2024 to Dec. 31, 2024	Board of Directors	Self-Evaluation of the Board	The Board performance evaluation includes five aspects: 1. Participation in the operation of the company 2. The quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors; and 5. Internal control
		Individual Board members	Self-evaluation of the Board members	The self-assessment of directors includes six aspects 1. Alignment of the goals and mission of the company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Management of internal relationship and communication 5. The director's professionalism and continuing education; and 6. Internal control
		Functional Committees Audit committee Remuneration Committee Sustainable Development Committee	Self-assessment of the internal operations and members of each functional committee	The performance evaluation items of the functional committees include five major aspects: 1. Participation in the Company's operations. 2. Awareness of the duties of the functional committee. 3. Improve the quality of decision making by the functional committee. 4. The composition of the functional committee and election of its members. 5. Internal control.
Once every three years (External evaluation)	2022/12/01 to 2023/11/30	Board of Directors	Taiwan Corporate Governance Association	The evaluation content of external experts includes eight major aspects: 1. Composition of the Board of Directors 2. Guidance by the Board of Directors. 3. Authorization by the Board of Directors. 4. Supervision by the Board of Directors. 5. Communication of the board of directors. 6. Internal control and risk management. 7. Self-discipline of the board of directors. 8. Others (such as board meetings, support systems). Interview relevant members with on-site inspections with reference to the open-ended questionnaires, various data and public information

Cycle	Period	Scope	Method	Content
				provided by the Company, and then issue an evaluation report. External expert advice: 1. The Company has established a "Remuneration Committee" to assist the Board of Directors in the supervision of the functions of the remuneration and evaluation system, and to advise on the Company's remuneration policies, systems, standards and performance evaluation indicators, and incorporate ESG goals into the performance indicators for senior management in order to achieve the Company's goal of sustainable development? 2. The Company has disclosed the "Reporting and Complaint Box" in the ethical management section of the website, but the whistleblower mechanism emphasizes the direct communication with the Board of Directors (independent directors in particular). It is recommended that the Company establish a whistle-blowing channel that the independent directors (or the audit committee) can receive reports simultaneously to further strengthen the whistle-blower mechanism. 3. As the board of directors of the company has gradually attached importance to the evaluation of corporate governance, it is recommended to enhance the timeliness and accuracy of information disclosure on the company's official website and annual report, so as to improve the transparency of corporate governance, so that all stakeholders know, and to help improve the evaluation and ranking.

3. Succession planning and operation of Board members

(1) The Company adopts a candidate nomination system for election of directors in accordance with the "Articles of Incorporation". The "Corporate Governance Best-Practice Principles" and "Procedures for Election of Directors" set out that the composition of the Board of Directors should take diversity into consideration. The Company has established a diversified policy based on its current state and development needs, including but not limited to basic requirements and values, and professional knowledge and skills.

(2) The structure of the Company's Board of Directors shall be determined after considering the needs of practical operations and taking into consideration the Company's business scale and the shareholdings of major shareholders.

(3) For the succession planning of directors, the Company has established the database of director candidates according to the following criteria:

1. Integrity, responsibility, innovation and decision-making power, in line with the Company's core values, with professional knowledge and skills helpful to the Company's operation and management.
2. Possess experience in the industry relevant to the Company's business.
3. It is expected that the addition of this member will continuously provide the Company with an effective, coordinated and diversified board that meets the needs of the Company.
4. The expertise of the Board of Directors as a whole should include corporate strategy and management, accounting and taxation, finance, and law.
5. The Company establishes the selection process of director candidates in accordance with the qualifications and relevant regulations to ensure that suitable new directors can be effectively identified and elected when there is a vacancy in the number of directors or a plan to increase the number of directors.

(4) The Company has also adopted its "Evaluation of the Performance of the Board of Directors". The performance evaluation measures the following aspects: control over the Company's goals and tasks, recognition of responsibilities, participation in operations, internal relationship management and communication, professional functions and further education, and internal control, ensuring that the Board of Directors is functioning effectively, and to evaluate the performance of the directors as a reference for the selection of directors in the future.

4. Succession planning and operation of key management personnel

(1) Employees at the Assistant Vice President level (and above) are the key management personnel and are responsible for the management of the organization. The values and business philosophy of the key management personnel shall be in line with the Company's business philosophy, in addition to possessing the necessary professional skills and experience.

(2) In order to develop key management personnel and their representatives, the Company not only offers professional competency and corporate governance-related courses, but also arranges practical trainings such as attending board meetings and participating in regular internal key management meetings, with on-the-job training supported by project task management. The Company also arranges for managers to share and exchange ideas about management practices.

(3) The Company conducts employee performance appraisals on a yearly basis. Through daily observation and performance evaluation, employees are able to understand areas of improvement, personal development needs, and the Company's expectations. The results of the appraisals can be used as a reference for future succession planning.

(II) Audit Committee

In order to improve the board of directors' supervisory responsibilities and strengthen the board of directors' management mechanism, the company established an audit committee on June 1, 2022, which is composed of all independent directors, and at least one of them should have accounting or financial expertise. The term of office is three years and may be re-elected.

1. Audit Committee member

Title	Name	Status of Audit Committee	Professional qualifications and experience/major experience (academic) background
Independent director	Huang Ming-You	Convener	Chairman of Chuan Cheng Investment Co., Ltd. Chairman, Chuan-Cheng Want-Want Investment Co., Ltd. Independent Director, Hotai Finance Co., Ltd. Independent Director, Zinwell Corporation Independent Director, SOLOMON Technology Corporation Director, Bole Film Director, Jollify Creative, Ltd. Director, Jollify4ever Ltd. Director, ASCENT DEVELOPMENT Co., Ltd.
Independent Director	Lin Wen Yuan	Committee Member	Department of Water Resources and Environmental Engineering Tamkang University Master, Institute of Civil Engineering, Hawaii State University Director, Taipei Water Department Vice Chairman, State-owned Enterprise Commission, M.O.E.A Chairman, Taiwan Power Company Chairman, Taiwan Cogeneration Corporation Chairman, China Steel Corporation Chairman of Taiwan Styrene Monomer Corporation Chairman of EASTERN BROADCASTING CO., LTD. Chairman of Tian Lai Hotel Co., Ltd. Independent Director of Bank of Kaohsiung Co., Ltd. Independent Director of Locus Cell Co., Ltd. Director of Nanhe Property Co., Ltd. Director of GLORIA MATERIAL TECHNOLOGY CORP. Director of United Renewable Energy Co., Ltd.
Independent Director	Chou Tsang-Hsien	Committee Member	PhD of Jilin University Master of Laws (LL.M.) of National Taipei University Deputy Chairman of the Commercial Laws Committee of General Chamber of Commerce of the Republic of China Associate of LCC Partners Law Office Associate of TransAsia Lawyers Chief Legal Officer of K LASER Group General Manager, Glory Group Medical Co., Ltd.
Independent Director	Chen Chun-Chi	Committee Member	Master, College of Management, National Taiwan Sport University Secretary General of CPBL Director of Fubon Guardians Secretary General of Taiwan Indigenous Baseball Development Association Chairman of SINO-RYUKYUAN Cultural Economic Association

2. Duties of the Audit Committee

I. The establishment or amendment of internal control policies in accordance with Article 14-1 of the Securities and Exchange Act.

II. Assessment of the effectiveness of the internal control system.

III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

IV. A matter bearing on the personal interest of a director or supervisor.

V. A transaction involving material asset or derivatives trading.

VI. A material monetary loan, endorsement, or provision of guarantee.

VII. The offering, issuance, or private placement of any equity-type securities.

VIII. The hiring, dismissal or remuneration of an attesting certified public accountant.

IX. The appointment or dismissal of a financial, accounting, or internal auditing officer.

X. Annual financial reports, and second quarter financial reports that must be audited and attested by a certified public accountant, which are signed or sealed by the chairperson, executive officer, and accounting officer.

XI. Any other material matter so determined by the company or the competent authority.

With the exception of the abovementioned Subparagraph 10), any matter under the preceding paragraph that has not been approved by the consent of at least a majority of all the audit committee members may still be undertaken upon the consent by two-thirds or more of all members of the Board of Directors.

3. Work focus for the year

The Company's Audit Committee consists of four independent directors. The operation of the committee is mainly to supervise the following matters:

(I) Fair presentation of the Company's financial statements.

(II) The selection and dismissal of the CPAs and their independence and performance.

(III) The effective implementing of the Company's internal control.

(IV) Regulatory requirements and rules to be complied with by the Company.

(V) Control over the Company's existing or potential risks.

4. Operational situation

The audit committee met 13 times in the most recent year【A】

(2024.01.01~2024.12.31: held 11 times~2025.01.01~2025.03.11: held 2 times)

Title	Name	Attendance in person[B]	Attendance by proxy	Attendance Rate [B/A]	Remarks
Convener and Chair	Huang Min-You	13	0	100%	
Committee Member	Lin Wen Yuan	12	1	92%	
Committee Member	Chou Tsang-Hsien	12	0	92%	
Committee Member	Chen Chun-Chi	13	0	100%	
Average attendance rate				96%	

Additional information:

I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the results of resolutions by the Audit Committee, and the Company's response to the committee's opinions shall be specified.

(I) The matters under Article 14-5 of the Securities and Exchange Act.

Date of Meeting of Audit Committee	Session	Contents of the motion	Resolution of the Audit Committee	Handling of the Audit Committee's opinions
January 15, 2024	The First 12th	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NTD 35 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NT$20 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.

February 21, 2024	The First 14th	Approval for authorizing the Chairman to purchase real estate and sign contracts.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
March 12, 2024	The First 15th	The Company's 2023 Financial Statements, Consolidated Financial Statements and Business Report, are submitted for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Adoption of the Proposal for 2023 Deficit Compensation.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		2023 Statement of the Internal Control System.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Amendment to the Company's "Audit Committee Charter".	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Amendments to the Company's accounting system.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Evaluation on the independence and competence of the CPAs of the Company.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Replacing the Company's attesting CPA for financial statements starting from the first quarter of 2024.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The reappointment of the attesting CPA of the Company's 2024 financial statements.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
April 15, 2024	The First 16th	Loaning of funds to subsidiary, Lu Hsin Co., Ltd.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company signed a joint investment and construction contract with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Ji-Lin.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.

		The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NTD 124,800 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Proposal of the Company to issue common shares for cash capital increase through private placement.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
May 9, 2024	The First 17th	The Company's consolidated financial statements for Q1 of 2024, submitted for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's appointment of the Head of Audit.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
June 13, 2024	The First 18th	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NT$ 144,000 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan. (The actual amount is subject to the bank's loan approval)	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal regarding the pricing and base date for the 1st private placement of common shares and capital increase in 2024.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
June 20, 2024	The First 19th	The Company has signed an amendment agreement with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Chi-Lin.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company intended to cancel endorsement/guarantee for the co-investor and builder as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.

July 15, 2024	The First 20th	The Company intended to cancel endorsement/guarantee for the co-investor and builder as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's endorsement/guarantee for its subsidiary, Lu-Hsin Co., Ltd., for the amount of NT$ 40 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal to adjust the use of funds for the 1st private placement of common shares in 2024.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal to invest in the capital increase of its U.S. subsidiary, Taroko US Corporation.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
August 8, 2024	The First 21th	The Company's consolidated financial statements for Q2 of 2024, submitted for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal to invest in the cash capital increase of Taroko Architecture Co., Ltd.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company has acquired the right-of-use assets from related parties (signing of the lease agreement for the Taipei Xinzhuang batting field).	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal for the renewal of the contract for the Tainan Chunghua Taroko batting field.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal for the renewal of the contract for the Tainan Rende Taroko batting field.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal to lend NT$ 15,000 thousand to its affiliate, Ya Chen International Development Co., Ltd.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.

November 8, 2024	The First 22th	The Company's consolidated financial statements for Q3 of 2024, submitted for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposal to invest in the establishment of a subsidiary in Japan.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
January 15, 2025	The First 23th	The Company intends to make endorsement and guarantee for subsidiary Taroko Entertainment Co., Ltd. for NT$30 million .	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's outline of the business plan and financial budget for 2025.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
March 11, 2025	The First 24th	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NT$25 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's proposed adjustment to the share capital increase plan through shares for its U.S. subsidiary, Taroko US Corporation.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The proposal of the Company to issue common shares for cash capital increase through private placement was approved by the resolution of the 2024 shareholders' meeting.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		The Company's 2024 Financial Statements, Consolidated Financial Statements and Business Report, are submitted for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Adoption of the Proposal for 2024 Deficit Compensation.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Amendments to the Company's Articles of Incorporation.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		Evaluation on the independence and competence of the CPAs of the Company.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections.	The proposal was approved by all directors present.

			2. This proposal will be submitted to the Board of Directors for discussion and resolution.	
		The reappointment of the attesting CPA of the Company's 2024 financial statements.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.
		2024 Statement of the Internal Control System.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	The proposal was approved by all directors present.

(II) Other than those described above, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: N/A.

II. In the event of independent directors' recusal from proposals, the name of independent director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified: N/A.

III. Communication between independent directors and the chief internal auditor/CPAs (including material financial and business matters communicated and communication methods and results).

1.Summary of communication between the Chief Auditor, independent directors, the Audit Committee and CPAs in 2024

(1)The head of internal audit may contact the independent directors directly if necessary, and the communication progress is good.

(2)The Company submits electronic spreadsheets on a monthly basis to independent directors for review on the audit status and improvement tracking status of the previous month.

(3)The Company's internal audit officer reports the key audit tasks to the independent directors during the Audit Committee meeting held regularly, and has fully communicated the implementation and results of audit tasks. The main communication matters are as follows:

Date	Form/target	Key points of reporting or communication	Result of communication
January 15, 2024	Audit Committee/ Independent director	Audit implementation report as of 2023/12	The independent directors of the Company have no opinion on the implementation and effectiveness of the audit.
March 12, 2024	Audit Committee/ Independent director	1. Audit implementation report as of 2024/02. 2. 2023 Statement of internal control system.	1. The independent directors of the Company have no opinion on the implementation and effectiveness of the audit. 2. The internal audit found no material issues affecting the effectiveness of the design and implementation of the internal control system.
May 9, 2024	Audit Committee/ Independent director	Audit implementation report as of 2024/03.	The independent directors of the Company have no opinion on the implementation and effectiveness of the audit.
August 8, 2024	Audit Committee/ Independent director	Audit implementation report as of 2024/06.	The independent directors of the Company have no opinion on the implementation and effectiveness of the audit.
November 8, 2024	Independent directors and the internal audit supervisor's separate communication meeting (pre-meeting of the Audit Committee) /Independent director's	separate communication: Proposal for the preparation of the 2025 audit plan.	All independent directors have fully understood the communication content and have no objections.
November 8, 2024	Audit Committee/ Independent director	1. Audit implementation report as of 2024/09.	The independent directors of the Company have no

		2. Proposal to amend the "Implementation Rules for the Internal Audit System". 3. The Company's 2025 internal audit plan.	opinion on the implementation and effectiveness of the audit.
January 15, 2025	Audit Committee/ Independent director	Audit implementation report as of 2024/12.	The independent directors of the Company have no opinion on the implementation and effectiveness of the audit.
March 11, 2025	Audit Committee/ Independent director	1. Audit implementation report as of 2025/02. 2. 2024 Statement of internal control system.	1. The independent directors of the Company have no opinion on the implementation and effectiveness of the audit. 2. The internal audit found no material issues affecting the effectiveness of the design and implementation of the internal control system.

2. Communication between the CPA and the Audit Committee:
   Regular - the CPAs will review the semi-annual reports and audit the annual reports, and communicate with the Audit Committee about the review and audit results.
   Non-regular - If there are other cases related to operation or internal control that require immediate communication and discussion, meetings will be arranged as appropriate.
   The main communication matters are as follows:

Date	Items	Content of communication	Response from the Company and results of communication
March 11, 2025	2024 Financial Statements	2024 Financial Statements	Audit results of the 2024 consolidated financial statements
	Audit Findings	No abnormality was found for any item	Discuss and communicate with the Company in line with the content of the project
	Significant transaction	Effect of individual material transactions in 2024 on the consolidated financial statements	No such matter after communication
	Significant transaction with related parties	Effect of individual material transactions in 2024 on the consolidated financial statements	No such matter after communication

3. Supervisors' participation in the operations of the Board of Directors:
   The attendance status in recent years is as follows: :Not applicable.The Company established an Audit Committee to replace supervisors since June 1, 2022.

(IV) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

1. The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has defined and disclosed its corporate governance principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and is disclosed on the Market Observation Post System.	No material difference.
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures?	✓		(I) The Company has appointed a spokesperson, an acting spokesperson, and a shareholder service department to respond to and handle shareholders' suggestions, questions, and disputes.	No material difference.
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	✓		(II) Pursuant to Article 25 of the Securities and Exchange Act, the Company reports changes in the equity of insiders (including directors, supervisors, managers, and shareholders with more than 10% ownership) on the Market Observation Post System on a monthly basis.	No material difference.
(III) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	✓		(III) The financial affairs of the Company and each affiliate are operated independently. The Company has formulated its " Related Party Transaction Management Regulations " and "Procedures for the Finance and Business of Affiliates" to define and implement the risk control and firewall mechanism over the affiliates.	No material difference.
(IV) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	✓		(IV) The Company's Procedures for Ethical Management and Guidelines for Conduct, the Code of Conduct, and the Procedures for Handling Material Inside Information set forth that insiders are prohibited from utilizing the undisclosed information to engage in insider trading, and shall not divulge the information to others. We also convey these rules to insiders from time to time to prevent violations.	No material difference.
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors	✓		(I) The Company's Corporate	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
formulated a diversity policy, specified management goals, and implemented them with respect to the composition of the Board of Directors	✓		Governance Best-Practice Principles and the Procedures for the Election of Directors and Supervisors set forth that: (extracted below) The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company’s business operations, operating dynamics, and development needs. The policy shall include the following two general standards: 1. Basic conditions and values 2. Expertise and competence They shall also possess: Ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to conduct crisis management; knowledge of the industry; an international market perspective; ability to lead; ability to make decisions. At the Company’s 2022 annual general shareholders' meeting, the Board of Directors was re-elected, implementing board member diversification. The Company continues to arrange various training courses for board members to improve decision-making quality, fulfill supervisory duties, and strengthen the functions of the board. The Company will consider the diversified composition of the Board of Directors and select those with the knowledge, skills and literacy necessary to perform their duties as directors. Specific goals will be set in the future to promote gender equality and increase the proportion of female directors.	
(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?	✓		(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with the law, and established the Sustainable Development Committee in November 9, 2023 to improve the supervision function and strengthen the management function.	No material difference.
(III) Has the company formulated a board of directors performance evaluation method and its evaluation method, conducts performance evaluations every year and regularly, and reports the results of the performance evaluation to the board of directors, and uses them as a reference for individual directors' remuneration and nomination for renewal?	✓		(III) The Company's Board of Directors passed the Regulations Governing the Performance Evaluation of the Board of Directors on November 13, 2016. The evaluation covers the entire Board of Directors and	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(IV) Does the Company regularly assess the independence of the CPAs?			individual board members. The evaluation indicators include the following aspects: The Board of Directors as a whole: Covering the degree of involvement in the Company's operations, the quality of the Board of Directors' decision-making, the composition and structure of the Board of Directors, the election of directors and their continuing education, and internal control. Individual board members: Covering alignment with the Company's goals and mission, awareness of responsibilities as a director, directors' awareness of responsibilities, degree of involvement in the Company's operations, internal relationship management and communication, management and communication of internal relations, and internal control. In accordance with the measures referred to above, the Company conducts an internal evaluation once a year. The official evaluation year began in the next year after these Procedures took effect. Through evaluation and promotion, we hope that the independence of the performance evaluation of the Board of Directors will improve in the future. The Company will continue to advocate for the active participation of directors in the Board of Directors meeting, further enhancing corporate governance performance. Evaluation results: The object of the current evaluation for 2024 was the Board of Directors as a whole. After evaluation by the governing body and the Chairman, the results were reported to the Board of Directors on January 15, 2025. Please refer to P.23-24 Evaluation of the Board of Directors and functional committees of this annual report. (IV) The Company's Audit Committee conducts an annual evaluation of the independence of the CPAs and submits the evaluation results to the Board of Directors. The most recent evaluation was approved by the Audit Committee on March 11, 2025, and was subsequently submitted and approved by the Board of Directors on	

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			March 11, 2025. The evaluation mechanism is as follows: 1. Confirm that the Company's CPA is not a related party to the Company or its directors. 2. Comply with the provisions of the Corporate Governance Best Practice Principles regarding the rotation of CPAs. 3. Obtain the 13 audit quality indicators (AQIs) information provided by the accounting firm, and evaluate the audit quality of the accounting firm and audit team based on the "Audit Committee's Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the competent authorities. The evaluation results are as follows: For this year's financial statements, PwC Taiwan appointed CPAs Wang Fang-Yu and Lin Kuan-Hung for the audit. After evaluation, both CPAs' independence and qualifications were deemed satisfactory. The Company's Audit Committee evaluates the independence and qualifications of the CPAs each year. In addition to requesting them to provide the "Audit Quality Indicators (AQIs)," the evaluation is conducted based on the CPA's independence assessment standards and the 13 AQI indicators. The CPAs were confirmed to have no financial interests or business relationships with the Company, aside from fees for audit and taxation matters. Their family members also do not violate the independence requirements. Based on the AQI indicator information, both the CPAs and the firm have audit experience and training hours that exceed the industry average. Additionally, over the past three years, they have continuously adopted digital audit tools to enhance audit quality. The evaluation results for the most recent year were discussed and approved by the Audit Committee on March 11, 2025, and subsequently submitted to the Board of Directors for approval on March 11, 2025, regarding the independence and qualifications of the CPAs.	
IV. Does the TWSE/TPEx listed company have an adequate number of corporate governance personnel with appropriate qualifications, and	✓		The Company's responsible unit for corporate governance is the Stock Affairs Department. On August 8, 2023, the Company's Board of Directors approved the appointment of Mr. Chen Wei-Hung,	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
appoint a chief corporate governance officer responsible for corporate governance-related matters (including but not limited to providing Directors and supervisors with required information to carry out their business, assisting Directors and supervisors with legal compliance, handling corporate registration and change of corporate registration-related matters, and preparing board and shareholders' meeting minutes)?			Head of Legal Affairs, as the Corporate Governance Officer, responsible for all corporate governance-related affairs. His main responsibilities include providing the Board of Directors and the Audit Committee with the information required for business activities from time to time; convening at least one Board meeting every quarter and one annual shareholders' meeting in accordance with the law; convening extraordinary shareholders' meetings when necessary according to regulations; handling company registration changes; preparing minutes for the meeting of the Board of Directors and shareholders' meetings; and handling announcements and reporting required by the competent authority. Additionally, he is responsible for regularly promoting the Company's business integrity philosophy, regulations related to insider equity, and important matters, as well as conducting annual Board performance evaluations and other related tasks.	
V. Has the Company has established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	✓		(I) The Company has set up a stakeholder section on the Company's website, and set up communication channels and contact means to take in the needs of stakeholders. The information collected will be replied to and followed up on a case-by-case basis.	No material difference.
VI. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	✓		The Company has hereby commissioned the stock agent of Hua Nan Securities Co., Ltd. to assist its shareholder affairs and shareholders' meeting affairs.	No material difference.
VII. Information disclosures (I) Has the Company set up a website to disclose information on financial business and corporate governance? (II) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the Company website)?	✓ ✓		(I) The Company has set up a corporate website: http://www.taroko.com.tw to provide financial business-related and corporate governance relate information. The website is maintained by dedicated personnel. (II) The Company has established Chinese and English versions of its corporate website and has appointed spokespersons and deputy spokespersons. In addition, the Company has also designated a dedicated person to report various financial and business information on the Public Information Observatory and disclose information on the Company's website, including uploading the content of the corporate	No material difference. No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?		✓	briefing to the website to ensure that information is open and transparent. (III) The Company has announced and reported matters on the Market Observation Post System as required.	The Company filed its 2024 financial statements on March 17, 2025 in accordance with Subparagraph 1, Paragraph 1, Article 1 of the Securities and Exchange Act.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	✓		(I) Employee rights and care: Employees are the Company's most important human assets. The Company is committed to providing a quality and dynamic work environment and building positive employee relations. The Company also strives to provide a smooth communication channel between supervisors and colleagues, and between employees and their peers. We value human rights and gender equality, and a non-discriminatory workplace. We enhance promotions and trainings for all employees on maintaining safety at the workplace in ensuring employee rights. The Company provides a hiring and promotion mechanism that values employees' performance regardless of gender, age, religion, or race. Employees are treated with respect and fairness. Complaints from employees are treated confidentially. (II) Investor relations: The Company has an investor relations unit that is responsible for handling shareholders' suggestions. The unit acts as a communication channel between the Company and investors, enabling them to understand the Company's operating results and long-term direction. Shareholders may present suggestions or business directions to the management team/Board of Directors in the following ways: • Investor conference (from time to time) • Shareholders' Meeting (each year) • Investor Relations website/email/telephone The investor relations unit compiles the specific suggestions put forward by the shareholders and convey them to the Company's management team and the Board of Directors for	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			reference in the business direction. Meanwhile, the Company will continue to evaluate the its operating performance thoroughly and effectively together with the stakeholders in a timely manner, and maintain the completeness, timeliness, accuracy, and transparency of information disclosure. (III) Supplier relationship: Suppliers are important partners of the Company for its sustainability. Through close cooperation, both parties jointly pursue corporate growth and social value. The Company believes that maintaining smooth communication with suppliers will ensure mutual communication efficiency and information transparency, creating a win-win situation. Based on this, the Company follows the highest standard of business ethics in its procurement transactions. The Company does not allow any illegal act in supply chain management. If any illegal act is discovered, please report it to the Company directly. Any illegal acts proven to be true will be punished accordingly.. (IV) The rights of the stakeholders: A. Responsibility to customers: The Company provides safe and high-quality products, values customers' opinions, and takes immediate measures to deal with customer complaints to meet their needs. B. Responsibility to shareholders: The Company's goal is to protect the rights and interests of shareholders. C. The Company has set up its website to provide communication channels for both parties. (IV) Continuing education of directors and supervisors: The directors of the Company have professional knowledge and continue to take related courses in accordance with the Corporate Governance Best-Practice Principles. (VI) The implementation of risk management policies and risk measurement standards: The Company has a comprehensive internal control system and various management regulations in place which are duly implemented. The control function is sound. (VII) Implementation of customer policy: Taroko Group has developed into a sports and leisure business. The	

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			Company is committed to providing customers with safe, high-quality leisure and entertainment and services. Moreover, the Company values the needs and opinions of customers, and continues to improve its service quality and competitiveness by understanding their valuable opinions prior to proposing improvement plans which are continuously tracked. Our ultimate goal is to achieve the best customer satisfaction. (VIII) Liability insurance coverage by directors and supervisors: The Company has taken out liability insurance for directors as a means to support corporate governance and strengthen the protection of the rights and interests of shareholders.	
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved: (companies not being evaluated do not need to fill in this section)				

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	

Improvements in the results of the 10th (2023) Corporate Governance Evaluation of the CompanyQuestion number	Indicator	Improvement status	Points scored or deducted by the Company as a whole %
1.1	Does the Company report the remuneration paid to directors at the shareholders' meeting, including the remuneration policy, details and amounts of individual remunerations?	Expected improvements in 2025	12%
1.3	Do more than half of the Company's directors (including at least one independent director) and the Audit Committee convener (or at least one supervisor) attend the general shareholders' meeting in person, and disclose the attendance list in the meeting minutes?	Improved in 2024	77%
1.7	Did the company upload the shareholders' meeting handbook and supplementary materials 30 days before a regular session?	Improved in 2024	93%
1.8	Does the company upload its annual report 18 days before its scheduled date for a general meeting?	Improved in 2024	90%
1.9	Did the company upload the English version of its shareholders' meeting notice 30 days before its scheduled date for a general meeting?	The company will conduct an internal assessment.	74%
1.11	Did the company upload the English version of its annual report 7 days before its scheduled date for a general meeting?	The company will conduct an internal assessment.	72%
1.15	Whether the Company has established and disclosed on the Company's website internal regulations prohibiting insiders such as directors or employees from trading securities using unpublished market information, including (but not limited to) directors shall not trade shares during the closing period of 30 days and 15 days prior to the announcement of the Company's annual and quarterly financial statements respectively, and the status of implementation?	Improved in 2024	50%
1.16	Was the average pledge ratio of shareholdings of directors, supervisors and major shareholders being evaluated for the year not exceeding 50%?	Improved in 2024	97%
1.17	Does the company have government agency or single legal entity or its subsidiaries that account for more than one-third of the board of directors?	The company will conduct an internal assessment.	82%
2.3	Are the Company's Chairperson and the president or other person of equivalent rank (the highest level manager) neither the same person nor are spouses or relatives within the first degree of kinship?	Improved in 2024	61%
2.5	Did the number of board members who are employees of the company, parent company, subsidiaries, or siblings, fall below (inclusive) one-third of the total Board of Directors?	Improved in 2024	79%
2.15	Does the Company disclose on the Company's website the status of individual communication (e.g. the methods, matters and results of the communication on the Company's financial statements and financial operations) between independent directors and internal audit supervisors and CPAs?	Improved in 2024	79%
2.17	Has the Company's Board of Directors regularly (at least once a year) referred to the audit quality indicators (AQIs) to assess the independence and qualifications of CPAs and disclosed the evaluation process in detail in the annual report?	Expected improvements in 2025	65%
2.18	Does the Company conduct annual internal performance evaluations on functional committees (should include at least the Audit Committee and the Remuneration Committee), and disclose the implementation status and evaluation results on the Company's website or annual report?	Improved in 2024	65%
2.19	Did the actual attendance rate of all directors at the board meetings for the evaluated year reach 85% or more, and were there at least two independent directors present in person at each board meeting?	Improved in 2024	94%
2.21	Is the Company's Chief of Corporate Governance a full-time position, and is the scope of authority and professional development disclosed on the Company's website and in the annual report?	The company will conduct an internal assessment.	14%
2.22	Has the Company established risk management policies and procedures approved by the Board of Directors, to disclose the scope of risk management, organizational structure and operation status, and reported to the Board of Directors at least once a year?	Expected improvements in 2025	28%

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	

2.30	Did at least one of the company's internal auditors have a license such as an international internal auditor, an international computer auditor or a certificate of passing an accounting examination?	The company will conduct an internal assessment.	31%
3.2	Did the company simultaneously publish its material information in English?	Improved in 2024	56%
3.4	Did the company announce the annual financial report within 2 months after the end of the fiscal year?	Expected improvements in 2025	17%
3.5	Has the Company uploaded the annual financial statements disclosed in English language seven days prior to the regular shareholders' meeting?	The company will conduct an internal assessment.	69%
3.6	Did the Company disclose the interim financial report in English within 2 months after the due date for reporting the Chinese version of the interim financial report?	The company will conduct an internal assessment.	34%
3.12	Did the Company have a clear dividend policy disclosed in the annual report?	Expected improvements in 2025	72%
3.13	Does the Company's annual report voluntarily disclose the remuneration paid to directors and supervisors?	Expected improvements in 2025	19%
3.14	Does the Company's annual report disclose the link between the performance evaluation and remuneration of directors and managers?	The company will conduct an internal assessment.	40%
3.20	Was the company invited to, or did the company voluntarily hold at least two investor conferences, and was the interval between the first and last investor conferences more than 3 months?	Improved in 2024	39%
3.21	Does the Company's annual report voluntarily disclose the remuneration paid to the President and Vice Presidents?	Improved in 2024	15%
4.1	Has the company set up a dedicated (part-time) unit to promote corporate social responsibility, conduct risk assessment on environmental, social or corporate governance issues related to the company's operations in accordance with the principle of materiality, and did the company formulate relevant risk management policies or strategies, and disclose them on the company's website and annual report?	Improved in 2024	33%
4.2	Has the company set up a dedicated (part-time) unit for the promotion of ethical corporate management, which is responsible for the formulation and supervision of the implementation of the ethical corporate management policy and prevention plan, and is operation and implementation of the unit disclosed on the company's website and annual report, and reported to the Board of Directors at least once a year?	The company will conduct an internal assessment.	54%
4.3	Does the Company regularly disclose the concrete promotion plans and implementation results of corporate sustainable development (ESG) on the Company's website, annual report or sustainability report?	The company will conduct an internal assessment.	63%
4.4	Has the Company compiled and uploaded its sustainability report to the Market Observation Post System (MOPS) and the Company's website by the end of September in accordance with the GRI Guidelines issued by the Global Reporting Initiative (GRI)? (If the sustainability report discloses relevant ESG information with reference to SASB, one point will be added to the total score.)	The company will conduct an internal assessment.	47%
4.5	Has the Sustainability Report prepared by the Company been verified by a third party?	Expected improvements in 2025	31%
4.6	Does the Company refer to the International Bill of Human Rights in formulating policies to protect human rights and concrete management plans, and disclose them on the Company's website or annual report?	Expected improvements in 2025	61%
4.7	Does the Company upload the English version of the sustainability report to the Market Observation Post System and the Company's website?	Expected improvements in 2025	28%
4.8	Has the Company established a policy to appropriately reflect business performance or results in employee remuneration, and is it disclosed on the Company's website or in the annual report?	The company will conduct an internal assessment.	88%
4.9	Does the Company's website and annual report disclose the various employee benefits, retirement systems, and their implementation?	Improved in 2024	85%
4.10	Did the Company's website and annual report disclose the protection measures for the personal safety and working environment of the employees and the implementation status?	Expected improvements in 2025	74%
4.11	Has the Company disclosed the annual greenhouse gas emission, water	Expected improvements in	54%

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	

	consumption and total weight of waste in the past two years?	2025	
4.12	Has the Company established policies for greenhouse gas reduction, water use or other waste management, including reduction targets, promotion measures and the status of achievement?	Expected improvements in 2025	58%
4.13	Did the company obtain ISO 14001, ISO50001 or similar verification for its environmental or energy management systems?	The company will conduct an internal assessment.	53%
4.14	Did the company disclose the status of the identified stakeholders, issues of concern, communication channels, and response methods on its website or in the annual report?	The company will conduct an internal assessment.	78%
4.15	Did the company disclose the ethical corporate management policy approved by the Board of Directors, the specific methods and plans to prevent unethical conducts, and explain the status of implementation on its website or in the annual report?	Expected improvements in 2025	65%
4.17	Does the Company's website, annual report or sustainability report disclose its supplier management policies, requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights issues, and describe the implementation status?	The company will conduct an internal assessment.	51%
4.18	Does the Company follow the framework of the Climate-related Financial Disclosures (TCFD) to disclose information about corporate governance, strategies, risk management, indicators and goals for climate-related risks and opportunities?	The company will conduct an internal assessment.	35%
4.19	Has the Company invested in energy-saving or green energy-related environmental sustainability machinery and equipment, or in Taiwan's green energy industry (such as renewable energy power plants), or issued or invested funds in green or social impact investment projects with substantial benefits through sustainable financial products, and disclosed its investment status and specific benefits?	The company will conduct an internal assessment.	26%
4.21	Has the Company evaluated the risks or opportunities for the community and adopted corresponding measures, and disclosed the specific measures taken and their implementation results on the Company's website, in the annual report, or in the sustainability report?	The company will conduct an internal assessment.	50%
4.22	Has the Company invested resources to support domestic cultural development, and disclosed the methods of support and the results on the Company's website, in the annual report, or in the sustainability report?	The company will conduct an internal assessment.	6%

4. Continuing education of directors and independent directors' in 2024:
Term of office of the directors and supervisors:2022/06/01-2025/05/31

Title	Name	Date of continuing education	Organizer	Course title	Hours of continuing education	Is the continuing education in compliance with the regulations
Chairman Representative of the corporate director	Lin Man-Li	July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3	✓
		November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
Representative of the corporate director	Wang Ying-Chih	September 6, 2024	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3	✓
		October 7, 2024	Chinese National Association of Industry and Commerce	Workshop for directors and supervisors of the Company - “2024 Taiwan New Net Zero Summit Towards a Low Carbon Future”	3	✓
		November 15, 2024	Securities and Futures Institute	2024 Legal Compliance Briefing for Insider Equity Transactions	3	✓
Representative of the corporate director	Ma, Chen Wei	July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3	✓
		November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
		November 21, 2024	Taiwan Institute of Directors	2025 Corporate Governance New Perspectives: Key Guides for Directors	3	✓
		December 8, 2024	Taiwan Corporate Governance Association	The Infinite Business Opportunities of the Net-Zero Pathway: Analyzing Strategic Directions from an Industry Perspective	3	✓
Representative of the corporate director	CHENG,YUAN-CHENG	July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3	✓
		August 21, 2024	Securities and Futures Institute	Challenges and Opportunities in the Sustainable Development Pathway and Introduction to Greenhouse Gas Inventory	3	✓
		October 16, 2024	Securities and Futures Institute	2030/2050 Green Industrial Revolution	3	✓
		November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
Representative of the corporate director	Hsu Yung-Chang	November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
		December 16, 2024	Taipei Foundation Of Finance	Key Indicators and Trend Analysis of International Situation Observation in 2025	3	✓
Independent Director	Lin Wen Yuan	July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3	✓

Title	Name	Date of continuing education	Organizer	Course title	Hours of continuing education	Is the continuing education in compliance with the regulations
		November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
Independent Director	Huang Min-You	May 29, 2024	Taiwan Independent Directors Association	Analysis of Anti-Money Laundering Regulations and Practical Case Studies	3	✓
		July 3, 2024	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Banking and Climate Change Summit	6	✓
		July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3	✓
Independent Director	Chou Tsang-Hsien	November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
		December 16, 2024	Securities and Futures Institute	Corporate Financial Awareness - Behavioral Finance and Corporate Decision-Making	3	✓
Independent Director	Chen Chun-Chi	July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3	✓
		November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3	✓
		November 15, 2024	Securities and Futures Institute	2024 Legal Compliance Briefing for Insider Equity Transactions	3	✓

3. Corporate Governance Officer

On August 8, 2022, the Company's Board of Directors approved the appointment of Chen Wei-Hung, Head of Legal Affairs, as the Corporate Governance Officer, responsible for corporate governance-related affairs. The officer served as an officer of the legal affairs department of a listed company for more than three years, and meets the qualifications of Corporate Governance Officer defined in Article 23 of "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".

Scope of powers:

According to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", a Corporate Governance Officer is responsible for the corporate governance-related affairs, including the following:

1. Handling of matters relating to Board of Directors meetings and shareholders meetings in compliance with law.
2. Preparation of minutes of the Board of Directors meetings and shareholders meetings.
3. Assistance in appointment and continuing education of directors.
4. Provision of information required for performance of duties by the directors.
5. Assistance in directors' compliance with laws and regulations.
6. Report to the board of directors the results of the review of whether the nomination, term of office and information during the term of office of independent directors comply with relevant laws and regulations.
7. Handle matters related to the change of directors.
8. Assistance in matters described or established in the articles of incorporation or under contract.

The continuing education of the first-time Corporate Governance Officer is as follows:

Date of continuing education	Organizer	Course title	Hours of continuing education
July 3, 2024	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Banking and Climate Change Summit	6
July 15, 2024	Taiwan Corporate Governance Association	How the latest context of corporate governance can be understood from the corporate governance evaluation indicators	3
October 23, 2024	Taiwan Stock Exchange	Promotion Seminar - Building a New Carbon Era through Sustainable Knowledge	3
November 8, 2024	Taiwan Corporate Governance Association	How the Board of Directors establishes the ESG sustainable governance strategy	3

(V) Composition and operation of the Remuneration Committee

1. Information on members of the Remuneration Committee

Information on members of the Remuneration Committee

March 28, 2025

Name	Title	Status of the Remuneration Committee	Professional qualifications and experience	Status of independence	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Huang Ming-You	Independent director	Convener	For professional qualifications and experience, please refer to P.12~P.14 of this Annual Report. The members of the Remuneration Committee have all obtained the professional qualifications specified in Article 5 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" and possess at least 5 years work experience. (Note 1)	All Remuneration Committee members meet the requirements of Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Establishment of the Remuneration Committee and the Exercise of Powers by Financial Supervisory Commission Companies Whose Stock is Listed on the Stock Exchange or Traded Over the Counter (Note 2).	3
Lin Wen-Yuan	Independent director	Committee member			1
Chen Chun-Chih	Independent director	Committee member			0

Note 1: Members of the Remuneration Committee should have obtained one of the following professional qualifications and have at least 5 years of work experience:

1. An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, or university.
2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business.
3. Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.

Note 2:

The member of the Remuneration Committee is free of any of the following during the two years prior to appointment and during his/her term of office:

1. An employee of the company or any of its affiliates.
2. A director or supervisor of the company or any of its affiliates.
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company, or ranking among the top 10 natural-person shareholders in holdings.
4. The manager listed in (1) or the spouse, relatives within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3).
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
8 director, supervisor, executive officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
9. professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

2. Information on the operation of the Remuneration Committee

The Company's Board of Directors has approved the establishment of the Remuneration Committee. The members of the Committee are appointed by a resolution of the Board of Directors. The main duties of the Remuneration Committee are to regularly review the performance evaluation of directors, supervisors, and managers, as well as the compensation and remuneration policies, systems, standards, and structure, and submit recommendations to the Board of Directors for discussion.

(1) There are three members in the Remuneration Committee.
(2) The term of office of the current committee members:
From June 1, 2022 to May 31, 2025 (the 6th term).
The Remuneration Committee held 3 meetings (A) in the most recent year (January 1, 2024~ to March. 11, 2025). The qualifications and attendance of members are as follows:

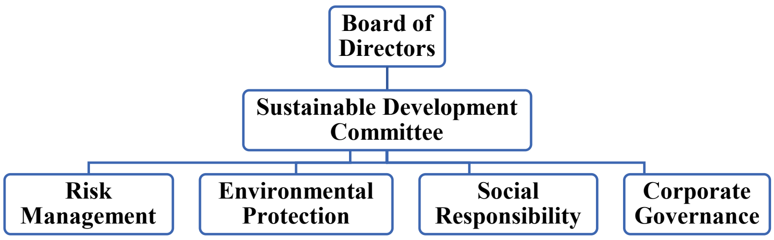
Title	Name	Attendance in person B	Attendance by proxy	Attendance Rate [B/A]	Remarks
Committee member	Lin Wen-Yuan	3	0	100%	
Convener and Chair	Huang Ming-You	3	0	100%	
Committee member	Chen Chun-Chih	3	0	100%	
Additional information: I. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None. II. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.					

3. Important decisions reached by the Remuneration Committee are as follows

Date of Remuneration Committee Meeting	Session of meeting	Contents of the motion	Resolution of the Remuneration Committee	Response to the Remuneration Committee's opinions
January 15, 2024	1st meeting of the 6th Committee in 2024	Proposal for year-end bonuses to the Chairman and managers.	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
		Directors' and Managerial Officers' Remuneration and Performance Evaluation Management Regulations	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
November 8, 2024	2nd meeting of the 6th Committee in 2024	The Company's proposal to amend the "Remuneration Committee Organizational Charter", submitted for discussion	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
		Ratification of the Company's proposal of remuneration to managers	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
		Draft of the Company's 2024 managers' performance evaluation form	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
		Proposal for the Company's 2024 bonuses to the Chairman and managers plan	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
March. 11, 2025	1st meeting of the 6th Committee in 2025	Only reported matters, no discussion matters	None	None

4. Information on the Nomination Committee members and their state of operations: Not applicable

(VI)The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the Board of Directors, which supervises the implementation? **(For TWSE/TPEx listed companies, the status of implementation should be reported; not compliance or interpretation.)** .	✓		I. The Company established the Sustainable Development Committee on November 9, 2023 and formulated the Sustainable Development Best Practice Principles. The Board of Directors authorizes the Sustainability Committee to handle economic, environmental and social issues arising from operating activities, and reports to the Board of Directors. The main purpose of the operation of the Committee is to guide the implementation of the following matters: (I) Implement corporate governance. (II) Develop a sustainable environment. (III) Protection of social welfare. (IV) Strengthening of information disclosure for corporate sustainability. The Sustainable Development Committee has established four sub-groups: corporate governance, environmental protection, social responsibility, and risk management. They are responsible for making proposals, implementation, and reporting on corporate sustainability.  ◆ Execution plan The Company plans the company's sustainable development blueprint in accordance with the existing laws and regulations. On November 9, 2023, the Sustainable Development Committee was established to organize the blueprint of planning into the goals and concrete proposals of each group. To implement the sustainable development of the Company and improve the implementation of sustainable affairs, external consultants are appointed for guidance. There are plans to complete the 2024 greenhouse gas inventory in 2025, and to complete the 2024 sustainability report in 2025, and a third party shall be engaged to conduct verification on them. Proposals shall be submitted to the Sustainable Development Committee for regular review of the effectiveness of its operation. After approval, it shall be submitted to the Board of Directors for resolution. ◆ Implementation status The implementation status for 2024 was reported to the Board of Directors on January 15, 2025, regarding the progress of the GHG inventory and risk operations.	No material difference

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td>II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies? Note 2</td><td>✓</td><td></td><td>
To strengthen corporate governance and improve the risk management mechanism, ensuring the achievement of the Company’s strategic objectives and sustainable operation and development, the Board of Directors passed the establishment of risk management policies and procedures on November 9, 2023.
Each business unit, based on its responsibilities, identifies and measures risk events through the risk management procedures, proposes responses, and reports them. The risk management report is then provided to the risk management execution team, which regularly submits reports to the Sustainable Development Committee.
Risk Management Procedures are as follows
<table>
<tr><th>Risk Identification</th><th>Risk Assessment</th><th>Risk Response</th><th>Risk Monitoring and Report</th></tr>
<tr><td>• Risk identification is conducted in the areas of management, finance, environment, and operations, based on the scope of business.</td><td>• Including risk analysis and assessment, through the analysis of the likelihood of risk occurrence and the severity of its negative impact, to evaluate its potential effect on the Company. This serves as the basis for setting the priority of risk management and selecting subsequent response measures.</td><td>• After assessing and consolidating risks, each business unit should take the following measures to appropriately respond to the risks it faces, ensuring that the risks are controlled within an acceptable level.</td><td>• Each business unit should monitor the risks associated with its operations and propose corresponding response strategies.
• Risk management reports should be regularly provided to the risk management execution team, which will then submit reports to the Sustainable Development Committee on a regular basis.</td></tr>
</table>
◆ Implementation status
To promote the implementation of the risk management mechanism, an annual report on its operation is submitted to the Board of Directors. The most recent report was presented at the board meeting on November 8, 2024, with the key operations for 2024 as follows.
<table>
<tr><th>Types of risks</th><th>Description of risks</th><th>Impact towards operations/finance/goodwill</th><th>Response to risks</th></tr>
<tr><td>Environmental risk</td><td>The importance of environmental protection and energy resource management issues has increased. Competent authorities</td><td>Failure to properly manage GHG emissions and energy resource consumption may lead to additional costs from carbon fees or carbon</td><td>● Conduct GHG inventory operations.
● Promote carbon reduction plans and energy-saving solutions.</td></tr>
</table>
</td><td>No material difference</td></tr>
</table>

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<table><tr><td></td><td>will manage energy resource consumption and GHG emissions, potentially implementing control measures through carbon fees or carbon taxes.</td><td>taxes, increased operational expenses, or exposure to fines, protests, or boycotts.</td><td></td></tr><tr><td>**Information security**</td><td>Risks that threaten the confidentiality, integrity, and availability of the Company's information assets due to human, non-human, or technical factors.</td><td>Risks arising from operational errors or hacker intrusions leading to the leakage of transaction data or personal information, resulting in financial losses, exposure of confidential data, and potential damage to the Company's reputation.</td><td>● Establish an information security management system to strengthen the protection of information assets. ● Enhance awareness education and training for employees and suppliers.</td></tr><tr><td>**Legal compliance risk**</td><td>Failure to comply with regulations from competent authorities may result in penalties or sanctions from competent or supervisory authorities.</td><td>● Fines may lead to increased operational costs. ● Affecting the Company's goodwill.</td><td>1. Implement the annual audit plan and internal audit operations. 2. Stay updated with new regulations and promptly follow the latest guidelines during audits.</td></tr><tr><td>**Operational risk**</td><td>Product/service safety and food safety incidents could endanger customer lives and health.</td><td>● Damaging the Company's goodwill. ● Damages and compensation may result in economic loss.</td><td>● Implementing self-inspection on product/services. ● Review the labeling, expiration dates, quality, and safety of sold products/services in accordance with the latest laws and current issues. ● Transfer damage risks through insurance mechanisms.</td></tr><tr><td>**Human resource risk**</td><td>The sports, leisure, and retail industries face complex</td><td>● The shortage of on-site operational staff may lead to an increased workload for</td><td>● Focus on talent cultivation and retention, enhance employee engagement, and implement an effective employee education and training system.</td></tr></table>	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>and high-pressure working environments, making talent retention challenging and leading to gaps in professional capabilities.</td><td>the current employees.
● The need to offer salaries higher than the market rate to attract talent results in an increase in operating costs.</td><td>● Optimize employee benefits and welfare, strengthen communication channels, and enhance participation mechanisms for employees.
● Create a happy workplace by providing employees with guidance on health and recreational life.</td></tr>
<tr><td>Financial risk</td><td>Insufficient cash reserves leading to liquidity issues.</td><td>● Inability to fulfill maturing debts, resulting in credit risk.
● Forced to sell other liquid assets at a low price, resulting in financial losses.</td><td>● Execute financial and accounting audits, including fund lending, endorsements and guarantees, acquisition and disposal of assets, related party transactions, financial statement preparation processes, and derivative financial instruments.
● Maintain a sound financial structure through capital allocation planning.</td></tr>
</table>
</td><td></td></tr>
<tr><td>III. Environmental issues
(I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?</td><td>✓</td><td></td><td>(I) The Company has established an appropriate environmental management system based on the characteristics of its industry to comply with the requirements of environmental protection laws and regulations.

Taroko Mall (Taichung)
1. Waste removal: 60 tons of garbage removed every month. (Daily disposal of 2 tons and 30 trips per month is handled by a contractor approved by the Taichung City Government under the waste disposal permit number 2010 Zhong-Shi-Fei-Qing-Zi No. 005-42. In accordance with Article 31 of the Waste Disposal Act, waste generation data is submitted via online transmission to the competent authorities of municipalities or counties (cities)).
2. Approximately 15 tons of water and fertilizer are cleared monthly (12 trips per month and each vehicle carrying 3.5 tons. Disposal is managed by a contractor approved by the Taichung City Government under the waste disposal permit number Zhong-Shi-Fei-Qing-Zi No. 153-08).
3. Kitchen waste disposal amounts to 1.8 tons per day, with 12 trips per month. Disposal is handled by a farm approved by the Ministry of Agriculture under the livestock registration number Nong-Xu-Mu-Deng-Zi No. 202337 and the Ministry of Environment's recycling and reuse business control number N22A0583. In accordance with Article 31 of the Waste Disposal Act, waste generation data is reported to the municipal or county (city) authorities via online transmission.
4. Recyclable waste disposal amounts to 20 tons per month. (Daily disposal of 2 tons, 30 trips per month, with waste disposal and recycling handled by a vendor authorized by Taichung City Government, under the waste disposal permit 2010 Zhong-Shi-Fei-Qing-Zi No. 005-42. In compliance with Article 6 of the General Waste Recycling and Disposal Regulations, businesses entrusted with general waste removal and disposal shall follow the online transmission method and frequency stipulated in Article 31, Paragraph 1, Subparagraph 2, and Paragraph 5 of the same law to report operational records.)</td><td>No material difference</td></tr>
</table>

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			Taroko Square (Hsinchu) 1. Waste removal: 30 tons of garbage removed every month. (Daily disposal of 1 ton, 30 trips per month, with waste disposal handled by a vendor authorized by Hsinchu City Government, under the waste disposal permit 2021 Fei-Jia-Qing-Zi 0002. In compliance with Article 31 of the Waste Disposal Act, the vendor shall submit waste output data to the competent authorities of the municipality or counties (cities) via online transmission.) 2. The water and fertilizer disposal is 31.5 tons every two months (2 trips every two months, with each vehicle carrying 15.75 tons, handled by a vendor authorized by Hsinchu County Government under the waste disposal permit 2020 Fei-Yi-Qing-Zi No. 0012). 3. The food waste disposal is 0.13 tons per day, with 12 trips per month. It is processed by a vendor authorized by the Ministry of Environment under the recycling and reuse business control number J6100520. In compliance with Article 31 of the Waste Disposal Act, the waste output data is reported to the competent authority of the municipality or counties (cities) via online transmission. 4. Recyclable waste disposal amounts to 3 tons per month. (Daily disposal of 0.1 tons, 1 trip per month, processed by a vendor authorized by the Hsinchu County Government with waste disposal permit 2013 Zhu-Shien-Fei-Yi-Qing-Zi No. 103-00. In accordance with Article 6 of the General Waste Recycling and Disposal Regulations, the entrusted business to dispose and handle general waste follows the online transmission method and frequency for reporting operational records as stipulated by Article 31, Paragraph 1, Subparagraph 2, and Paragraph 5 of the law.) Since 2024, the GHG inventory has been conducted annually. The relevant data will be publicly disclosed in the sustainability report and the Company's official website in 2025. At the same time, the ISO 14064-1 GHG inventory and certification will also be introduced in 2025.	

<table>
<tr>
<td>(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?</td>
<td>✓</td>
<td></td>
<td>(II) The Company responds to the 2050 net-zero transformation, aligning with the corporate net-zero goals, focusing on promoting electricity conservation and improving energy efficiency in environmental usage. We gradually replace old equipment each year to reduce electricity costs and lessen the environmental impact.
The following is the implementation status of the electricity conservation plan
▪ Taroko Mall Taichung
<table>
<tr><th>Year</th><th>Implementation status of the electricity conservation plan</th></tr>
<tr><td>2019</td><td>All halogen lights and low-efficiency lighting fixtures in the building have been replaced with LED lighting.</td></tr>
<tr><td>2021</td><td>The R2 chiller's cooling tower with reduced performance has been replaced to improve cooling capacity, which can save electricity consumption of the chiller and reduce water usage of the cooling tower.</td></tr>
<tr><td>2022</td><td>The cooling towers of the R3 and R4 chillers with reduced performance have been replaced to improve cooling capacity, which can save electricity consumption of the chillers and reduce water usage of the cooling towers.</td></tr>
<tr><td>2023</td><td>1. The R4 chiller has been replaced with a new one, enabling effective utilization of the chiller's performance, reducing electricity consumption, and achieving energy conservation and carbon reduction.
2. The cooling towers have been equipped with water quality monitoring and chemical dosing equipment to reduce heat dissipation issues caused by scale buildup, improve heat dissipation efficiency, and lower the chiller's electricity consumption.</td></tr>
<tr><td>2024</td><td>The building's elevators are controlled by time periods to reduce light-load operations and lower electricity consumption.</td></tr>
</table>
▪ Taroko Square Hsinchu
<table>
<tr><th>Year</th><th>Implementation status of the electricity conservation plan</th></tr>
<tr><td>2019</td><td>The return water temperature setting for chillers #1, #2, and #3 has been to 12 degrees.</td></tr>
<tr><td>2021</td><td>During non-summer months, the chiller's capacity has been reduced from 550RT to 300RT.</td></tr>
<tr><td>2022</td><td>During non-summer months, the return water temperature of the chiller has been changed from the original setting of 13 degrees to 15 degrees. During the summer months, the return water temperature of the chiller has been changed from the original setting of 12 degrees to 14 degrees.</td></tr>
<tr><td>2023</td><td>1. Since the building operates 24 hours a day and has two direct elevators connected to the outdoors, one elevator can be shut down to reduce electricity consumption by eliminating 24 hours of operation.
2. One of the small passenger elevators in the building is shut down during nighttime hours.</td></tr>
<tr><td>2024</td><td>Since the building operates 24 hours a day, the 550T and 300T chillers alternate operation. The 550T chiller's original start time of 09:00 has been delayed to 10:00, and its shutdown time of 21:30 has been move forward to 20:30. Therefore, the 300T chiller's operating hours have been adjusted to start at 20:30 each day and run until 10:00 for shutdown. (The 550T chiller can save 2 hours of operation per day, replaced by the 300T chiller)</td></tr>
</table>
</td>
<td>No material difference</td>
</tr>
<tr>
<td>(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken</td>
<td>✓</td>
<td></td>
<td>(III) To strengthen corporate governance and improve the risk management mechanism, the Company established the Sustainable Development Committee on November 9, 2023, and established a Risk Management Team under it to assist the Committee in performing its risk management responsibilities. Each business unit assesses the likelihood and impact of various risks based on their respective duties, formulates management measures and implements them, and regularly provides risk management reports to the Risk Management Team. The team then regularly reports to</td>
<td>No material difference</td>
</tr>
</table>

<table>
<tr><td>countermeasures against climate-related issues?</td><td></td><td></td><td>the Sustainability Committee.</td><td></td></tr>
<tr><td>(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?</td><td>✓</td><td></td><td>The company will conduct greenhouse gas inventory every year starting from 2024. The inventory data will be made public in the sustainability report and the company's official website in 2025, and the ISO 14064-1 greenhouse gas inventory certification will be introduced simultaneously.</td><td>No material difference</td></tr>
<tr><td>IV. Social issues
(I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?</td><td>✓</td><td></td><td>(I) To uphold fundamental human rights for employees, create a workplace environment fully protective of human rights, and support internationally recognized human rights protection standards and principles, the Company adheres to and respects the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Company strictly complies with national labor regulations, rejects any behavior that infringes or violates human rights, and ensures all members receive fair and dignified treatment. To achieve this, the Company has established a "Human Rights Policy" and employs mechanisms such as structured guidelines, periodic training, and communication channels to raise awareness of human rights issues and implement concrete management practices to protect human rights.
Specific Management Measures
Based on the Company's business scope and characteristics, the Company raises awareness of human rights issues and implements specific human rights protection measures through institutional regulations, regular educational training, and establishing communication channels.
<table>
<tr><th>Items</th><th>Specific Measures</th></tr>
<tr><td>Providing a Safe and Healthy Work Environment</td><td>I. Informing employees through advocacy and announcements of their responsibilities to maintain a workplace free of unlawful harassment, including disclosing a grievance hotline.
II. Providing free regular health check-ups to employees as legally required.
III. Regularly conducting fire drills.
IV. Arranging regular on-site medical consultations by healthcare professionals.</td></tr>
<tr><td>Eliminating Illegal Discrimination and Ensuring Equal Employment Opportunities</td><td>The Company implements its human rights policy in employment, compensation and benefits, training opportunities, promotion, dismissal or retirement, and other labor rights matters. We ensure no unfair treatment of employees and job applicants based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, disability, zodiac sign, blood type, or other factors to ensure all employees receive fair and reasonable wages and working conditions.</td></tr>
<tr><td>Prohibition of Child Labor</td><td>To protect the physical and mental health of minors, the Company prohibits the employment of persons under 16 years of age. During the initial resume screening process of recruitment and selection, relevant personnel must identify the age of applicants based on resume information, graduation year, and other relevant information and verify their age with identification documents upon employment.</td></tr>
<tr><td>Prohibition of Forced Labor</td><td>I. No form of force or coercion shall be used to compel employees to perform involuntary labor.</td></tr>
</table></td><td>No material difference</td></tr>
</table>

			<table><tr><td></td><td>II. Daily and weekly normal working hours, extended working hours, holidays, special leave, and other types of leave must comply with legal requirements.</td></tr><tr><td>Respect for Freedom of Association</td><td>The Company provides financial subsidies to encourage employees to form recreational and sports clubs, fostering colleague relationships through club activities.</td></tr><tr><td>Personal Data Protection and Privacy</td><td>The Company has established information security management mechanisms to control data access and prevent data leakage, ensuring that the collection, use, and processing of personal data comply with laws and regulations.</td></tr></table>Employee Communication Channels To enhance labor rights and promote thorough communication between the Company and employees, a dedicated email address (hr@trkmall.com.tw) has been established to provide effective and appropriate communication channels, following confidentiality principles to protect employees' rights to submit concerns. Regular labor-management meetings are also held to protect workers' rights to collective bargaining and promote healthy and positive labor-management relations.	
(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?	✓		(II) For employee welfare measures, in addition to complying with labor-related laws and regulations, the Company has established the Employee Welfare Committee to coordinate the planning and operation of various welfare measures and operations for employees to improve employee welfare. In addition, reasonable employee welfare measures, including salary, leave and other benefits, are formulated and implemented in accordance with the Labor Standards Act and related laws and regulations, and business performance is appropriately reflected in employee remuneration: (1)The Board of Directors has established the Remuneration Committee, which is responsible for the policies,systems,standards and structures of remuneration. (2)Bonus:It is combined with the Company's operating performance,annual net profit and employee evaluation.	There is no significant difference; future amendments will be made in accordance with the laws and regulations.
(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	✓		(III) 1. Describe the safety and health measures for employees, the employee education policy and implementation. Personal safety and work environmental protection measures: Implementation description: I. Occupational safety and health unit: In order to maintain the safety and health of employees, and implement occupational safety and health management, the Company has formulated an "Occupational Safety and Health Management Plan" and "Safety and Health Work Principles," and submitted them to the competent authority for approval. An "Occupational Safety and Health Committee" has been established to pay attention to issues such as employee health and work environment safety. New recruits and current employees are arranged to participate in safety and health training to enhance employees' awareness of occupational safety and health, enhance workplace safety, and maintain employees' physical and mental health. II. Risk assessment and safety audit: The Company assigns designated personnel to inspect the workplace regularly for hazard risks, pays attention to workplace public safety and health at all times, promotes the concept of risk prevention, and provides immediate counseling for employees to help them identify issues that may be a problem with the system or the environment in the workplace, operation and system hazards, formulate improvement measures, and introduce them into training courses. III. Implementation of occupational safety and health education and training: 1. In accordance with Articles 16 and 17 of the Occupational Safety and Health Education and Training Regulations. (1) Implement 3 hours of general safety and health education for new recruits. (2) Implement safety and health education and training for in-service personnel for 3 hours every three years. (3) Implementing various safety trainings (for emergency personnel, crane operators, stacker operators, etc.) for 3 hours every three years. 2. Regularly conduct firefighting, emergency response and first aid drills and trainings to improve personnel's disaster prevention alertness and prevent	There is no significant difference; future amendments will be made in accordance with the laws and regulations.

			disasters. 3. Regularly announce a special issue on health education, and hold physical and mental health promotion seminars to enhance employees' awareness of health education. IV. Promoting employee health check: 1. Conduct annual health checkups for in-service employees and health checkups for special personnel. 2. Health management and health promotion. Graded management is implemented in accordance with Article 15 of the Labor Health Protection Rules to protect the health of employees. V. Promotion of Friendly Workplace and Employee Physical and Mental Health Protection: 1. On-site service: Occupational medical physicians and nurses are regularly arranged to provide consultation services. 2. Implement the four major plans for labor health protection according to the Occupational Safety and Health Law. The plans are “prevention of human-induced hazards; maternal health protection of female labors; prevention of workplace violence and overwork.” Surveys are conducted and statistics are compiled, and high-risk employees are listed for individual care and counseling. 3. Set up the President's mailbox and the employee's opinion mailbox to provide employees with the opportunity to express their opinions. 4. Establish a hotline and a dedicated email address for unlawful violations to provide complaint channels for incidents of unlawful violations (including sexual harassment) in the workplace. VI. 1.Describe measures for a safe and healthy working environment for employees, employee education policies and their implementation. Workplace emergency rescue: To protect the life and safety of colleagues and customers, automated external defibrillators (AED) are installed according to the scale and number of employees, and the Company has obtained the "AED Safe Place Certification" from the Ministry of Health and Welfare. 2. Please specify the relevant certifications obtained (valid as of the publication date of this Annual Report) and the scope thereof. The Company was honored with the "Best Attraction Award" in the Top 100 Employers category at the 104 Best Employer Awards in 2024. Corporate culture is the foundation of steady growth, with its greatest value lying in the pursuit of unimaginable possibilities and their realization. Continuing with the belief in facing challenges, we remain focused on creating new value. 3. State the number of employee accidents, the number of employees and the percentage of the total number of employees in the year, and the related improvement measures. There were only 10 employees involved in 10 occupational accidents in the year, which accounted for 0.015% of the total employees. After review, the Company has since escalated its efforts to improve employees' familiarity with equipment operation and promote occupational safety concepts. 4. Describe the number of fire incidents in the year, the number of casualties, and the ratio of the number of casualties to the total number of employees, and the related improvement measures in response to the fire. There were no fire incidents in the Company in 2024. Disaster prevention awareness, fire drills, and fire safety inspections are conducted for employees every six months, and each venue is required to have a fire prevention manager in place to ensure safety.	
(IV) Has the Company established an effective career development training program for employees?	✓		(IV) The Company maintains the competitiveness and advantages of the enterprise, and the development of sound organizational management, improves the quality, knowledge and professional ability of employees, stimulates employees' potential, improves work quality and performance, and implements various trainings. The Company has established the "Education and Training Management Regulations,” and conducted internal training and external professional training for employees from time to time, in order to cultivate outstanding professionals, improve operational performance, and achieve the Company’s operational goals.	There is no significant difference; future amendments will be made in accordance with the laws and regulations.
(V) Does the Company comply with applicable	✓		The Company follows the relevant laws and regulations regarding customer health and safety, customer privacy, marketing, and labeling of products and services, and has not deceived, misled, or concealed any behavior that damages consumers' rights. In addition, the Company attaches great importance to the opinions of	There is no significant difference; future

laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?			customers and other stakeholders, and has set up a stakeholder section on the Company's website to provide contact windows and methods for questions, complaints or suggestions, and to protect their rights.	amendments will be made in accordance with the laws and regulations.
(VI) Has the Company formulated a supplier management policy, required suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights? The implementation thereof?	✓		(VI) To ensure that suppliers working with the Company achieve consistency in product/service quality, cost, and delivery, and to jointly promote sustainability issues such as environmental protection, occupational safety and health, and labor rights, the Company is committed to fulfilling corporate social responsibility. The Company has established the "Supplier Management Policy" to conduct annual and routine evaluations of suppliers. For effective management, suppliers are categorized and graded, allowing for a gradual and systematic assessment of their overall status. Suppliers are required to sign the "Statement on Ethical Corporate Management, Human Rights, and Environmental Sustainability Clauses for Business Partners", comply with labor laws, respect internationally recognized fundamental labor rights, and adhere to environmental protection regulations.	There is no significant difference; future amendments will be made in accordance with the laws and regulations.
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?	✓		At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory and sustainability report. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. It is expected to issue the 2024 Sustainability Report and complete the third-party verification in 2025.	Currently under development
VI. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specified the differences between the implementation and the principles: There is no significant difference; future amendments will be made in accordance with the laws and regulations.				
1. Taroko has been awarded the "Happy Workplace" Star Award by the city government for two consecutive years. 2. Employers category at the 104 Best Employer Awards in 2024. Corporate culture is the foundation of steady growth, with its greatest value lying in the pursuit of unimaginable possibilities and their realization. 3. Taroko Mal(Taichung)l was awarded the Taichung City Shopping Mall Low Carbon Certification (from October 1, 2024 to				

September 30, 2027)

4. Hsinchu Taroko Square has participated in the City's Underprivileged Children's Dreams Wish Card Program for 6 consecutive years, hoping to help children from disadvantaged families and let them feel the warmth of society. A Christmas gift collection is held at Taroko Mal every year, donating gifts to kindergartens and social welfare organizations.
5. Yukids-Island of the sports and leisure industry provides a half-price discount on tickets for disabled children.
6. Used balls from Taroko Sports in the leisure industry are regularly donated to local third-tier baseball teams.
7. Provide venues, equipment and resources for physical education in schools.
8. Cooperate with the Chinese Taipei Baseball Association to become a professional venue for Level-4 baseball training, providing training for national teams of all levels.
9. Donation of a batch of desks and chairs to the Taiwan Fund for Children and Families Taichung City North Branch Office to actively care for disadvantaged children and children in Taichung City.
10. Donation of a batch of tables and chairs to the Taiwan World Vision Foundation to support the community and benefit disadvantaged children.

Note 1: If "Yes" is selected for the implementation, please explain the key policies, strategies and measures taken and their implementation; if "No" is selected for the implementation, please provide the difference and reason for "difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof" column, and explain any policy, strategy and measure planned for the future. However, for Items 1 and 2, listed companies shall describe the Board of Directors' supervision on sustainable development, including but not limited to: management policy, strategy and objective setting, review measures, etc. The Company's risk management policies or strategies for environmental, social, and corporate governance issues related to its operations, and its evaluation shall also be described.

Note 2: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Climate-related information of TPEx-listed companies
Climate-related Implementation

<table>
<tr><th>Items</th><th>Implementation</th></tr>
<tr><td>1. Describe the monitoring and governance of climate-related risks and opportunities between the Board and management.
2. Describe how the identified climate risks and opportunities affect the Company's business operations, strategies, and finance (short-, medium-, and long-term).
3. Describe financial impacts of extreme climate events and transformational actions.
4. Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system.
5. If the scenario analysis is used to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and main financial impacts shall be described.
6. If transition plans exist to manage climate-related risks, specify the contents of the plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.
7. If using internal carbon pricing as a planning tool, specify the basis for setting the pricing.
8. If climate-related goals</td>
<td>1. The Board of Directors is the highest governing body for climate-related issues, responsible for guiding, overseeing, and monitoring the effectiveness of the Sustainable Development Committee's operations. Management formulates climate-related risk and opportunity strategies, plans, targets, and corresponding measures. The working group of the Sustainable Development Committee reports key information and implementation status to the Board of Directors.
2.
<table>
<tr><th colspan="2">Identify the impact of climate risk</th><th>Risks</th><th>Opportunities</th></tr>
<tr><td rowspan="3">Business</td><td>Short-term</td><td>Equipment damage may lead to business suspension, thereby affecting operational performance.</td><td>Seek supplier assistance for repairs or replacements.</td></tr>
<tr><td>Mid-term</td><td>Rising ambient temperatures lead to increased electricity demand.</td><td>Adjust electricity usage habits and improve energy efficiency.</td></tr>
<tr><td>Long-term</td><td>Changes in consumer behavior.</td><td>Promote electronic tickets and tokens to enhance operational efficiency and collect consumer data for analysis.</td></tr>
<tr><td rowspan="3">Strategy</td><td>Short-term</td><td>Equipment damage leads to increased repair or replacement asset costs.</td><td>Increase revenue and reduce expenses while applying for subsidies and financial aid programs provided by the competent authorities for the purchase of machinery and equipment.</td></tr>
<tr><td>Mid-term</td><td>The limitations of existing resources in the enforcement of regulations.</td><td>Formulate energy conservation plans, assess feasibility, and strengthen energy management.</td></tr>
<tr><td>Long-term</td><td>Promote green consumption and low-carbon living.</td><td>Promote electronic tickets and tokens to reduce energy consumption and environmental impact, enhance the company's image, and create more opportunities for cross-industry collaborations.</td></tr>
<tr><td rowspan="2">Finance</td><td>Short-term</td><td>Equipment damage may lead to business suspension, thereby affecting operational performance. Simultaneous repairs or replacements of assets increase costs, placing pressure on cash flow.</td><td>Allocate budget for future repairs or asset replacements.</td></tr>
<tr><td>Mid-term</td><td>Energy-saving products or replacing old equipment increase operating costs.</td><td>Choosing energy-saving products or replacing old equipment reduces electricity consumption while improving efficiency, thus lowering long-term operating costs.</td></tr>
</table>
</td></tr>
</table>

have been set, specify the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified.

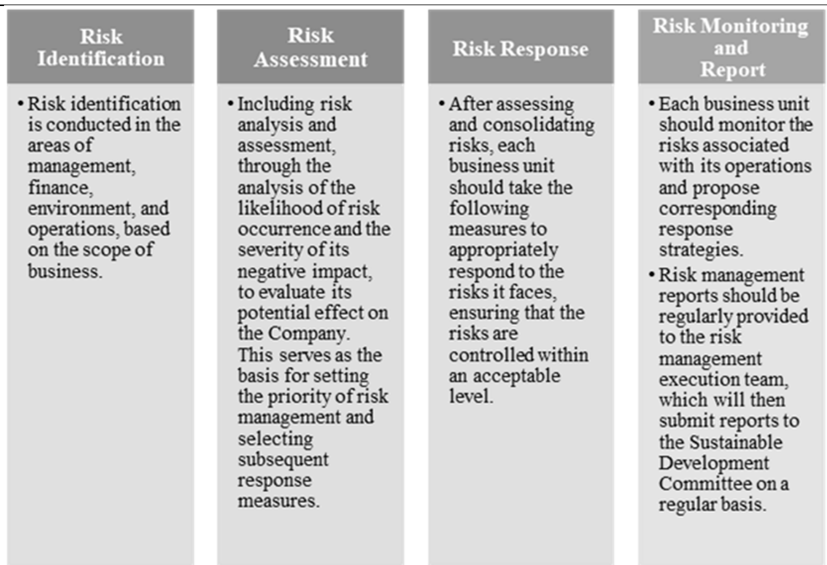
9. Greenhouse gas inventory and assurance (completed in 1-1and 1-2).

	Long-term	Transforming to green consumption by implementing related software systems and equipment increases operating costs.	This helps the Company reduce long-term operating costs and enhance profitability.

3.

Extreme climate events	Financial impact	Transformation action
Personnel	Inability of personnel to attend work or injuries may disrupt daily workflows, affecting information provision and productivity.	Use remote connection software for off-site work while strengthening the promotion of "information security".
Assets	Equipment damage leads to increased repair or replacement asset costs, which in turn affects the financial statements and cash flow.	Purchase natural disaster insurance to transfer the losses caused by natural disasters.
Legal Compliance	Penalties for contract breaches or fines imposed by relevant regulations due to operational disruptions caused by natural disasters.	Starting from regulatory requirements, understand actual operations and propose improvements. If necessary, consult external experts for improvement suggestions to ensure compliance with laws and regulations.

4. To strengthen corporate governance and improve risk management mechanisms, ensuring the achievement of the Company's strategic goals and sustainable operation and development, the Board of Directors approved the establishment of a risk management policy and procedures on November 9, 2023. Among them, the environmental risks listed in risk identification also include climate change risks and natural disaster risks.
Each business unit, based on its responsibilities, identifies and measures risk events through the risk management procedures, proposes responses, and reports them. The risk management report is then provided to the risk management execution team, which regularly submits reports to the Sustainable Development Committee.
Risk Management Procedures are as follows



5.

Analysis Items	Parameters/Assumptions	High-Risk Scenario (2°C)	Low-Risk Scenario (1.5°C)	Major Financial Impact
Temperature Rise	Global temperature rise	Above 2°C	1.5°C	Lowering the air conditioning temperature to maintain a comfortable environment within the venue indirectly increases operating costs.
Frequency of Extreme Weather Events	Heavy rain, typhoons, heatwaves, etc.	10-15% annual increase	5-7% annual increase	Maintenance and operating losses
Venue Damage Risk	Facilities affected by weather events	Major repair every 3-5 years	Minor repair every 5-7 years	Maintenance and renovation costs
Operational Disruption Risk	Venue closure due to weather events	Approx. 3-5 days annual closure	1-2 days annual closure	Operating losses
Increase in insurance costs	Higher insurance premiums due to increased risk	15% increase	5-8% increase	Increase in insurance costs
Fluctuations in Market Demand	Consumer behavior shifts due to climate change	10% decrease in customer numbers	Minimal change in customer numbers	Operating Loss
Government Policies (Carbon Tax)	Government strengthens environmental policies	10% increase in carbon tax and energy costs	5% increase in carbon tax and energy costs	Increase in energy and operating costs

Increased AC Electricity Costs	Lowering the AC temperature to maintain comfort within the venues during high temperatures	10-15% increase in electricity costs	5-7% increase in electricity costs	Indirect increase in operating costs

6.

Project Item	Goal	Management Measures	Indicators and Targets
Carbon Reduction Measures and Energy-Saving Technology Implementation	Complete the greenhouse gas inventory for 2024 by 2025 and submit it for third-party verification. Regularly review the effectiveness of implemented measures and formulate carbon reduction strategies.	- Install high-efficiency air conditioning systems and energy-saving lighting equipment. - Establish indoor temperature control standards to avoid excessive air conditioning use.	Continuously improve energy consumption efficiency and reduce carbon emissions year by year through carbon reduction measures to achieve sustainable development goals.
Venue Facility Upgrades	Enhance the venues' ability to withstand extreme weather and reduce operational disruption risks.	- Strengthen the venue structure to withstand typhoons and flooding - Improve drainage systems to prevent flooding during heavy rainfall. - Consider climate risks in new facility construction to enhance disaster resilience.	- Maintenance and loss costs will be strictly controlled within the annual budget. - During climate-related shutdowns, efforts will be made to minimize downtime and quickly restore normal operations.
Optimization of Insurance Strategy	- Expand insurance coverage to mitigate financial losses caused by climate risks.	- Add climate-related insurance for high-risk events such as typhoons and floods. - Dynamically adjust insurance strategies based on risk assessment results.	Control losses caused by extreme weather within the annual insurance coverage to minimize financial impact.
Green Operations and Supply Chain Transformation	Promote a green supply chain to reduce environmental impact.	- Collaborate with suppliers to use sustainable resources. - Implement supplier evaluations and actively promote local and green procurement policies.	Gradually reduce carbon emissions through green operations and supply chain transformation, striving to achieve sustainable development goals.

7.~8.Currently under development

1-1 GHG inventory and assurance in the last 2 years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO2e), intensity (metric tons CO2e/NTD million), and data coverage for the most recent two years.
At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. It is expected that the greenhouse gas inventory data for 2024 will be released in 2025 and a third-party verification will be completed too.

Note 1: Direct emissions (scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (scope 3: emissions generated from corporate activities that are not indirect emissions from energy sources but come from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the guidelines. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or sales volume; however, at least the data in terms of sales (NT$ million) shall be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last two years up to the date of publication of the annual report, including the scope of assurance, assurance institutions, criteria and opinions of assurance.
At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. It is expected that the greenhouse gas inventory data for 2024 will be released in 2025 and a third-party verification will be completed too.

Note 1: The process shall be conducted in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines. If the company has not obtained the full assurance of greenhouse gas opinion by the date of publication of the annual report, it is necessary to indicate "complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should be noted that "complete assurance information will be disclosed on the Market Observation Post System" and disclose the complete assurance information in the next annual report.

Note 2: The assurance institutions shall meet the sustainability report assurance institutions requirements issued by Taiwan Stock Exchange Corporation and Taipei Exchange.

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

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.
At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. The plan is to release greenhouse gas inventory data for 2024 in 2025 and complete a third-party verification. In 2026, the reduction target for 2027 is set. The data is lower than that of the previous year. The specific reduction target and strategy will be determined after the data from the 2024 and 2025 greenhouse gas inventory is issued. Further research is required.

Note 1: It shall be processed in accordance with the schedule prescribed in Article 10, paragraph 2 of the guidelines.

Note 2: The base year should be the year that the inventory is completed based on the boundaries of the consolidated financial statements. For example, pursuant to Article 10, Paragraph 2 of the Guidelines, companies with capital over NTD 10 billion should have completed the inventory for the 2024 consolidated financial statements by 2025. Therefore, the base year is 2024. If the Company has completed the inventory of the consolidated financial statements ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

(VI) Corporate ethical management practices and measures adopted:

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Formulation of ethical management policies and plans (I) Has the Company disclosed its ethical corporate management policies and procedures in its internal regulations and documents to external parties, and are the Board of Directors and the senior management committed to actively implementing the policy?	✓		(I) The Company adheres to the philosophy of sustainable management and has established the "Procedures for Ethical Management and Guidelines for Conduct", which has been made known within the Company, and which the Board of Directors and management are committed to proactively implementing.	No material difference
(II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(II) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the relevant laws and regulations to encourage internal and external personnel to report unethical or improper conducts, which will be punished accordingly. We have set up a reporting mailbox on the Company's website for internal or external complaints. We have adopted prevention measures for business activities with high risk of unethical conducts within the business scope, such as offering or accepting bribes, illegal political donation, improper charity donation, offering or acceptance of unjustifiable benefits, infringement of business secrets, trademarks, patents.	
(III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?	✓		(III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Conduct", which outline the prohibition on the offering or acceptance of improper benefits, the prohibition on the handling of facilitation payments, political contributions and charitable donations, and the prevention of conflicts of interest for personal gain or violation of fair trade, with related matters regularly reviewed and amended.	
II Implementation of ethical management (I) Does the company evaluate each counterparty's records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty?	✓		(I) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct", which clearly stipulate that business transactions with dishonest agents,	No material difference

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(II) Has the company set up a special unit responsible for the promotion of corporate integrity management under the board of directors, and regularly (at least once a year) report to the board of directors its integrity management policies, prevention and prevention of dishonest behavior plans, and supervision and implementation?	✓ ✓ ✓ ✓		suppliers, customers or other business partners should be avoided, and that any business partner or partner found to have engaged in an unethical conduct should immediately terminate business dealings with them and be listed as a rejected partner in order to implement the Company's ethical management policy. (II) The Company designates the Stock Affairs Department as the dedicated unit and allocates sufficient resources and qualified personnel to handle the revision, implementation, interpretation, consultation services, and registration and filing of reported content related to this Procedure and Guidelines, as well as the supervision of its execution. Its main responsibilities include the following items and it shall report to the Board of Directors regularly and promote awareness to the Board of Directors and internal personnel from time to time. Plans and Implementation Status of the Integrity Management Unit: All new employees of the Company are required to sign the "Employee Code of Conduct" and the "Intellectual Property Rights and Business Confidentiality Agreement" to continuously promote the values of integrity and enhance a positive corporate culture. The Company advocates the concept of integrity in the education and training for new recruits. Integrity commitments are signed with all business partners, and integrity clauses are clearly specified in contracts. Violations will result in contract termination, compensation claims, and the entity will be classified as an undesirable partner. The "Procedures for Ethical Management and Guidelines for Conduct" explicitly defines the policies for preventing conflicts of interest. In the "Investor Relations" section of the website, the "Stakeholders" section provides appropriate external communication channels. Internally, a whistleblowing mailbox is established, and managed by a	

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			dedicated unit within the Company. The implementation of integrity management for 2024 is as follows: no whistleblowing cases were reported, and the implementation status was presented to the Board of Directors on January 15, 2025.	
(III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?			(III) The "Procedures for Ethical Management and Guidelines for Conduct" of the Company expressly stipulates the recusal of discussion of directors due to conflicts of interest. Those who have an interest in the motion at the meeting of the Board of Directors shall recuse themselves and may not participate in discussion or voting and shall not exercise their voting rights on behalf of other directors.	
(IV) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit formulated relevant audit plans based on the risk assessment results of dishonesty behaviors, and checked its compliance with the dishonesty prevention plan, or entrusted accountants to conduct audits?			(IV) The Company has established an Audit Office that is under the authority of the Board of Directors. The Office performs audits according to the annual audit plan and keeps track of improvements of deficiencies. In addition, the Audit Office reports the results to the Board of Directors on a regular basis so that management can understand the implementation of the internal control system and achieve the purpose of management.	
(V) Does the Company regularly hold internal and external education and training on ethical management?			(V) The importance of ethical corporate management is conveyed to the employees through orientation training and group meetings from time to time, and shall be included as one of the performance evaluation indicators for employees.	
III. Implementation of the Company's whistleblowing system	✓			No material difference
(I) Has the Company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused?	✓ ✓		(I) Whistleblowers can report relevant incidents through our company's website, phone or email. The company's units responsible for accepting reports include independent directors (report and appeal mailbox auditcommittee@trkmall.com.tw), management department, personnel director or relevant department heads.	
(II) Has the Company formulated standard operating procedures for investigation of reported cases, and a confidentiality mechanism?			(II) The Company has established the whistle-blowing procedure and keeps confidentiality of the identity of the whistleblower and the content of the report.	

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(III) Does the Company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?			(III) The Company has established the whistle-blowing procedure, and shall maintain confidentiality of the identity of the whistleblower and the content of the report, in order to properly protect the whistleblower from any undue treatment or retaliation for making a whistleblower report.	
IV. Enhanced information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	✓		The Company discloses relevant information such as the Procedures for Ethical Management and Guidelines for Conduct in the annual report, on the Company's website. Information is collected and disclosed on the Company's website by dedicated personnel.	No material difference
V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the principles: None.				
VI. Other important information that facilitates the understanding of the Company's ethical management (e.g., reviewing and amending the Company's corporate governance best practice principles): None. (I)The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, applicable regulations governing TWSE and TPEx listed companies, and other applicable laws and regulations governing business activities, , as a basic premise for conducting business with integrity. (II) The Company's "Rules and Procedures for Board of Directors Meetings" provide for rules of the recusal of directors. If a director or his/her representative has a conflict of interest in a motion, he or she shall state the conflict of interest at the Board meeting, including any content detrimental to the interest of the Company. The director shall recuse himself or herself from the discussion or vote and shall not exercise his or her voting rights on behalf of other directors.				

(VII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

1. Advocacy letters on relevant laws and regulations to insiders from time to time to strengthen the legal compliance of insiders (including directors and managers) to avoid penalties, and provide directors with continuing education courses or relevant laws and regulations awareness seminars every year to assist directors in complying with laws and regulations .
2. The Company has established a corporate governance section attached to the Articles of Incorporation on the Company's website for stakeholders to refer to the implementation of corporate governance.
3. The Company has established the "Procedures for Handling Material Inside Information" in accordance with Article 10 of the "Corporate Governance Best-Practice Principles", which strictly prohibits insiders from profiting from insider trading or asymmetric market information.

(VIII) The following information shall be disclosed regarding the implementation of internal control policies:

1. Statement of the Internal Control System

TRK Corporation
Statement of the Internal Control System

Date: March 11, 2025

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

I. The Company is clearly aware that the establishment, implementation, and maintenance of an internal control system are the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. It aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of financial reporting, and compliance with applicable laws and regulations.

II. Some limitations are inherent in all internal control systems. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance regarding the achievement of the above three intended objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.

III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria for judging the effectiveness of the internal control system set out in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). Said criteria under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.

IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.

V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of its subsidiaries), including the understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with applicable rules and applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing objectives.

VI. This statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false or there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the company's board of directors on March 11, 2025. Among the nine directors present, none had objections. All of them agreed with the contents of this statement and hereby declare it.

TRK Corporation

Chairman: Lin, Man-Li

President: Wang Ying-Chih

(IX) Important resolutions by the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of the annual report:

1. Important resolutions reached in the shareholders' meeting are as follows:

Date of meeting	Summary of important proposal	Resolution results	Implementation
May 31, 2024	Adoption of the 2024 Business Report and Financial Statements	The motion was passed as proposed.	Relevant financial statements have been filed with the competent authority and announced in accordance with the Company Act and other relevant laws and regulations.
	The Company's 2024 loss recovery	The motion was passed as proposed.	No dividends will be distributed.
	The Company's proposal to conduct a private placement for cash capital increase through the issuance of common stock, submitted for discussion.	The motion was passed as proposed.	Relevant statements have been filed with the competent authority and announced in accordance with the Company Act and other relevant laws and regulations.

2. Important resolutions reached in the meeting of the Board of Directors are as follows:

Date of meeting	Cause	Summary of motion
Jan. 15, 2024	1	The application to Taishin International Bank for the renewal of a short-term credit line of NT$50 million.
	2	The Company intends to apply for mid-term and long-term loans with Bank SinoPac for a sum of NT$30 million.
	3	The Company intends to apply mid-term and long-term loans of NT$75 million from ORIX Taiwan Corporation.
	4	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NTD 35 million.
	5	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NT$20 million.
	6	The Company's 2024 business plan and budget.
	7	Determine the time, venue, and agenda of the 2024 annual general shareholders' meeting.
	8	Proposal for year-end bonuses to the Chairman and managers.
	9	Directors' and Managerial Officers' Remuneration and Performance Evaluation Management Regulations.
Feb. 5, 2024	1	The Company's 2024 business plan and budget.
Feb. 21, 2024	1	Approval for authorizing the Chairman to purchase real estate and sign contracts.
Mar. 12, 2024	1	The Company's 2023 Financial Statements, Consolidated Financial Statements and Business Report, are submitted for review.
	2	Adoption of the Proposal for 2023 Deficit Compensation.
	3	2023 Statement of the Internal Control System.
	4	Amendments to the Company’s "Rules of Procedure for Board of Directors Meetings ".
	5	Amendments to the Company's "Audit Committee Charter."
	6	Amendments to the Company's "Accounting System."
	7	Evaluation on the independence and competence of the CPAs of the Company.
	8	Replacing the Company's attesting CPA for financial statements starting from the first quarter of 2024.
	9	The reappointment of the attesting CPA of the Company's 2024 financial statements.
	10	The Company and Sunny Bank/Shuang Ho Branch’s renewal of contract for the NT$140 million short-term loan.
	11	The Company and Taiwan Cooperative Bank/Songxing Branch renewed the contract for the NT$100 million short-term loan.
	12	The President of the Company, Mr. Hsieh Kuo-Tong, resigned from the position of President and became a strategic consultant.
	13	Appointment of the Company's President.
	14	Lifting of non-compete restrictions on the managerial officer (president) of the Company.
Apr. 15, 2024	1	Loaning of funds to subsidiary, Lu Hsin Co., Ltd.
	2	The Company signed a joint investment and construction contract with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Ji-Lin.

Date of meeting	Cause	Summary of motion
	3	Proposal to provide land and apply for land financing from Chinatrust Commercial Bank.
	4	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NTD 124,800 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.
	5	Proposal of the Company to issue common shares for cash capital increase through private placement.
	6	Determine the time, venue, and agenda of the 2024 annual general shareholders' meeting.
May. 9, 2024	1	The Company's consolidated financial statements for Q1 of 2024, submitted for review.
	2	The Company’s appointment of the Head of Audit.
	3	Appointment of the Company's managers.
	4	The Company and EnTie Bank is renewing the short-term financing loan agreement for NT$ 50 million.
Jun. 13, 2024	1	The Company is renewing the short-term financing agreement with the Chang Hwa Bank Jiancheng Branch.
	2	The Company plans to apply for a financing credit facility with Shinshin Credit Corporation.
	3	The Company plans to provide land as collateral to apply for land financing with Cathay United Bank, Taipei Fubon Bank, or CTBC Bank.
	4	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NT$ 144,000 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.
	5	The Company’s proposal regarding the pricing and base date for the 1st private placement of common shares and capital increase in 113.
	6	The Company is planning to update the schedule for GHG inventory and verification.
Jun. 20, 2024	1	The Company has signed an amendment agreement with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Chi-Lin.
	2	The Company intended to cancel endorsement/guarantee for the co-investor and builder as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.
	3	The Company intended to make an endorsement/guarantee for the co-investor, Xunying Investment Co., Ltd., for the reconstruction project of the urban renewal of Land Nos. 538, 540, and 541 in Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan, as per the agreement.
Jul. 15, 2024	1	The Company intended to cancel endorsement/guarantee for the co-investor and builder as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.
	2	The Company’s endorsement/guarantee for its subsidiary, Lu-Hsin Co., Ltd., for the amount of NT$ 40 million.
	3	The Company’s proposal to adjust the use of funds for the 1st private placement of common shares in 113.
	4	The Company plans to invest in increasing the capital of its U.S. subsidiary, Taroko US Corporation.
Aug. 8, 2024	1	The Company’s consolidated financial statements for Q2 of 113, submitted for review.
	2	The Company’s proposal to invest in the cash capital increase of Taroko Architecture Co., Ltd.
	3	The Company acquired the right-of-use assets from related parties (signing the lease agreement for the Taipei Xinzhuang batting field).
	4	The Company’s proposal for the renewal of the contract for the Tainan Chunghua Taroko batting field.
	5	The Company’s proposal for the renewal of the contract for the Tainan Rende Taroko batting field.
	6	The Company's appointment for the position of the Head of Sustainability.
	7	The Company is renewing the short-term financing loan agreement with Sunny Bank Shuanghe Branch and Shin Kong Bank Neihu Branch.
	8	The Company plans to lend NT$15,000 thousand to its affiliate, Yachen International Development Co., Ltd.
Nov. 8, 2024	1	Ratification of the appointment of the Company's managers.
	2	Appointment of the Company's managers.
	3	Proposed to lift the non-compete restriction on managers.
	4	The Company plans to appoint Mr. Lin Yung-Chun, the CEO, as a member of the Sustainable Development Committee.

Date of meeting	Cause	Summary of motion
	5	The Company’s proposal to invest in the establishment of a subsidiary in Japan.
	6	The Company holds shares in the investee company, He Chen International Development Co., Ltd., and plans to use the shares as consideration to establish a new company.
	7	The Company plans to appoint EnTie Commercial Bank to coordinate and manage a NT$ 800 million credit facility.
	8	The Company plans to lend NT$ 10 million to its subsidiary, Taroko Architecture Co., Ltd.
	9	The Company plans to apply for a mid-to-long-term credit facility of NT$ 60 million from He Jing Leasing Co., Ltd.
	10	Amendment to the Company's "Corporate Governance Best-Practice Principles".
	11	Amendment to the Company's "Audit Committee Organizational Charter".
	12	The Company plans to establish the "Sustainability Report Preparation and Verification Procedure".
	13	The Company plans to establish the "Sustainability Information Management Procedure".
	14	The Company plans to establish the "Supplier Management Policy".
	15	The Company plans to amend the "Implementation Rules for the Internal Audit System".
	16	The Company's 2025 internal audit plan.
	17	Amendments to the Company’s “Remuneration Committee Organizational Charter”, submitted for discussion.
	18	The Company’s plans to establish the 2024 annual managers’ performance evaluation form, submitted for discussion.
	19	Review of the changes in the Company's managers.
	20	Review of the Company's manager remuneration ratification.
	21	The Company’s proposal for the year-end bonus policy for the Chairman and Managers in 2024.
Jan. 15, 2025	1	The Company is renewing the short-term financing loan agreement of NT$ 50 million with Taishin Bank / Jianbei Branch.
	2	The Company intends to make endorsement and guarantee for subsidiary Taroko Entertainment Co., Ltd. for NT$30 million .
	3	The Company’s outline of the business plan and financial budget for 114.
	4	Determine the time, venue, and agenda of the 2025 annual general shareholders' meeting.
Mar.11,2025	1	The Company and Sunny Bank/Shuang Ho Branch’s renewal of contract for the NT$140 million short-term loan.
	2	The Company and Taiwan Cooperative Bank/Songxing Branch renewed the contract for the NT$50 million short-term loan.
	3	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NT$25 million.
	4	Ratification of the Appointment of the Company's Managers.
	5	The Company's proposed adjustment to the capital increase plan for its U.S. subsidiary, Taroko US Corporation.
	6	The proposal of the Company to issue common shares for cash capital increase through private placement was approved by the resolution of the 2024 shareholders' meeting.
	7	The Company's 2024 Financial Statements, Consolidated Financial Statements and Business Report, are submitted for review.
	8	Adoption of the Proposal for 2024 Deficit Compensation.
	9	Amendments to the Company's Articles of Incorporation.
	10	Evaluation on the independence and competence of the CPAs of the Company.
	11	The reappointment of the attesting CPA of the Company's 2024 financial statements.
	12	2024 Statement of the Internal Control System.
	13	The Company’s election of 9 directors (including 4 independent directors).
	14	List of nominations of directors by the Board of Directors
	15	Review of the list of nominations of directors.
	16	Lifting the non-competition restrictions on the newly elected directors of the Company.

Date of meeting	Cause	Summary of motion
	17	Matters related to the 2025 shareholders' meeting and shareholder proposals and nomination of director candidates.

(X) During the most recent year and up to the date publication of this annual report, if the directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements: None.

IV. Information on the Company's audit fees:

Unit: NTD thousands

<table>
<tr><th>Name of accounting firm</th><th>Name of CPA</th><th>Audit period</th><th>Audit fees</th><th>Non-audit fees</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">PwC Taiwan</td><td>Wang Fang-Yu</td><td rowspan="2">2024/01/01~ 2024/12/31</td><td rowspan="2">2,720</td><td rowspan="2">750</td><td rowspan="2">3,470</td><td rowspan="2">Non-audit fees include Tax certification and English translation service</td></tr>
<tr><td>Lin Kuan-Hung</td></tr>
</table>

(I) If the CPA firm is replaced and the audit fees paid during the year in which the replacement occurs are less than those paid in the prior year, the amount of the decrease in the audit fees and the reason thereof shall be disclosed: None.

(II) When the audit fees paid for the current year are lower than those paid for the prior year by 10% or more, the amount and percentage of the decrease and thereof shall be disclosed: None.

V. Information on Replacement of CPAs:

(I) Regarding former CPAs:

<table>
<tr><td>Date of replacement</td><td colspan="4">Resolution of the Board of Directors on March 12, 2024</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="4">Due to the need for CPA rotation as required by relevant laws and regulations, the Company's CPAs Hsiao Chun-Yuan and Liu Mei-Lan have been replaced by Wang Fang-Yu and Lin Kuan-Hung from 2024.</td></tr>
<tr><td rowspan="3">Has the company or the CPA terminated or discontinued the appointment</td><td colspan="2">Parties involved
Situation</td><td>Certified Public Accountant</td><td>The Company</td></tr>
<tr><td colspan="2">Voluntarily terminated the appointment</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Declined (continued) to be appointed</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td>An audit report issued during the most recent 2 years containing an opinion other than an unqualified opinion, state the opinion and reason</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial report</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Description: None.</td></tr>
<tr><td>Other matters for disclosure</td><td colspan="4">None</td></tr>
</table>

(II) Regarding successor CPAs:

Accounting firm	PwC Taiwan
Name of CPA	CPA Wang Fang-Yu and CPA Lin Kuan-Hung
Date of appointment	From the Q1 financial report of 2024
If prior to the formal appointment of the succeeding CPA, the company consulted the new CPA regarding the accounting treatment of or application of accounting principles to a specific transaction, or the type of audit opinion that might be rendered on the company's financial report	Not applicable.
Written opinions of the former CPA on which the succeeding CPAs disagreed with the former CPAs	None

(III) Reply letter from the former CPA regarding matters covered in items 1 and 2-3, subparagraph 6, Article 10 of these Regulations: Not applicable due to internal adjustment: None.

VI. Where the company's chairman, president, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliate of such accounting firm: None.

VII. The changes in the transfer or pledge of equity shares by directors, supervisors, managers, or shareholders holding more than 10% of the shares issued by the Company in the most recent year and up to the publication date of this annual report:

1. Movements in shareholdings of directors, supervisors, managers, and major shareholders:

Title	Name	2023		Up to March 31, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Corporate director	San Gong International Co., Ltd.	0	(335,000)	0	0
Corporate director Representative Chairman	Lin Man-Li	(100,000)	1,537,000	0	0
Corporate director Representative President	Hsieh Kuo-Tong Note 1, Note 2	0	1,224,000	0	0
Corporate director Representative Vice President	Wang Ying-Zhi	716,000	611,000	0	0
Corporate director Representative Executive Vice President	Li Yi-Chuan Note 3,Note 7	(44,000)	0	(6,000)	0
Corporate director Representative	Ling-Yan Chen Note 2, Note 4	0	0	0	0
Corporate director	Ma, Chen Wei Note 3	0	0	0	0
Corporate director	CHENG,YUAN-CHENG Note 4	0	0	0	0
Corporate director	Tongqingxin Creative Investment Co., Ltd.	(57,000)	0	(11,000)	0
Corporate director Representative	Hsu Yung-Chang	0	0	0	0
Independent director	Lin Wen-Yuan	0	0	0	0
Independent director	Huang Min-You	0	0	0	0
Independent director	Chou Tsang-Hsien	0	0	0	0
Independent director	Chen Chun-Chi	0	0	0	0
CEO Deputy General Manager	LIN YUNG CHUN Note 5	0	0	0	0
Deputy General Manager	Shih-Ning Kuo Note 8	0	0	0	0
Assistant Vice President	Liao Chih-Hsuan	(58,000)	0	0	0
Assistant Vice President	Huang Chun-yuan	0	0	0	0
Assistant Vice President	Zheng Shu-hua	0	0	0	0
Corporate Governance Officer	Chen Wei-Hung	(30,000)	0	0	0
Financial Officer	Lin Li-Ling	0	0	0	0
Chief Accounting Officer	Chen Pei-Ting	0	0	0	0

Note 1: On March 12, 2024, General Manager Hsieh Kuo-Tong resigned and Deputy General Manager Ms. Wang Ying-Chih was appointed as the General Manager of the Company.

Note 2: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.
Note 3: On July 3, 2024, the former representative of corporate director, Mr. Li Yi-Chuan, was reappointed by Sangong International Co., Ltd. for Mr. Ma, Chen Wei.
Note 4:On July 3, 2024, the former representative of corporate director, Ms. Ling-Yan Chen, was reappointed by Sangong International Co., Ltd. for Mr. CHENG,YUAN-CHENG.
Note 5: On September 16, 2024, Mr. LIN YUNG CHUN was newly appointed as deputy general manager (CEO).
Note 6: On February 1, 2025,Ms. Zheng Shu-hua was dismissed from the position of Associate Manager.
Note 7: On February 3, 2025,Mr. Li Yiquan was dismissed as deputy general manager.
Note 8: On February 17, 2025, Guo Shining was appointed as the new deputy general manager.

2. Counter-parties of the equity transfer or equity pledge are related parties: None.
3. Counter-parties of the equity pledge are related parties: None.

VIII. Information about the top ten shareholders with shareholding ratio, and their relationship with each other or their spouses or relatives within the second degree of kinship:

(I) Relationships Among the Top 10 Shareholders

March 28, 2025

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another and their names		Remarks
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relations	
Gong Cheng Industrial Co., Ltd. Person in charge: Lin Man-Li	8,628,430	7.98	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Lin Man-Li	7,727,539	7.15	0	0	0	0	Hsieh Kuo-Tong	First-degree relative	Chairman of the Company
San Gong International Co., Ltd. Person in charge: Lin Man-Li	7,278,532	6.73	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Ping Yuan Co., Ltd. Person in charge: Lin Man-Li	5,339,674	4.94	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Hsiehlin Co., Ltd. Person in charge: Lin Man-Li	5,324,426	4.93	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Sangong Co., Ltd. Person in charge: Lin Man-Li	5,293,000	4.90	0	0	0	0		The person in charge of the company is the Chairman of the Company	

CHANG,JUNG-HUA	5,000,000	4.63	0	0	0	0			
HANEGI CO., LTD. Person in charge: Wang Ying-Chih	3,801,000	3.52	0	0	0	0		The person in charge of the company is the Chairman of the Company and President	
Tongqingxin Creative Investment Limited liability company Person in charge: Hsu Yung-Chang	2,660,000	2.46	0	0	0	0		The person in charge of the company is the legal person director represent ative of the company	
Hsieh Kuo-Tong	2,225,521	2.06	0	0	0	0	Lin Man-Li	First-degree relative	

IX. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company:

December 31, 2023; unit share; %

Investee (Note 1)	Investment by the Company		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		General investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Gowin Development Ltd.	6,375,000	100.00	-	-	6,375,000	100.00
Taroko Recreation Management Co., Ltd.	11,910,000	100.00	-	-	11,910,000	100.00
Taroko US Corporation	120,918	81.37	-	-	120,918	81.37
Taroko Entertainment Co., Ltd.	7,001,000	100.00	-	-	7,001,000	100.00
TAROKO ARCHITECTURE CO.,Ltd.	20,000,000	100.00	-	-	15,500,000	100.00
American Village Co., Ltd.	1,680,000	60.00	-	-	1,680,000	60.00
Shanghai G-RUN Sports Management Co., Ltd.	3,600,000	30.00	-	-	3,600,000	30.00
Taroko US CA Corporation	3,000	100.00	-	-	3,000	100.00
Lu Hsin Co., Ltd.	3,152,000	70.04	1,345,500	29.9	4,497,500	99.94
Shi-Niang Food & Drink Co., Ltd.	490,000	49.00	-	-	490,000	49.00
GJI Ron Company Limited	325,550	32.55	-	-	325,550	32.55
He Chen International Development Co., Ltd.	14,250,000	18.75	-	-	14,250,000	18.75
YA CHEN Development Co.,Ltd.	969,000	19.00	-	-	969,000	19.00
BORUEM Real Estate Development CO., LTD.	2,750,000	25.00	-	-	2,750,000	25.00

Note: The company uses the equity method for investment.

Three. Fundraising Status

I. Capital and shares

(I) Source of share capital

1. The total number of shares issued;

Unit: Shares

Type of shares	Authorized share capital			Remarks
	Number of shares issued	Shares yet to be issued	Total (Note 1)	
Ordinary share	108,000,000	192,000,000	300,000,000	Outstanding shares are shares of listed companies

Note: As of August 8, 2024, there were 18,000,000 shares of private placement common stock remaining.

2. Formation of share capital

March 25, 2025; Unit: thousand shares; NT$ thousand

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
1999.11	10	300,000	3,000,000	207,765.350	2,077,653.56	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	531,577.00 1,114,373.89 431,702.67	None	Tai-Cai-Zheng (I) Letter No. 67906 dated 1999.07.23
2002.12	10	290,000	2,900,000	170,367.592	1,703,675.92	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	435,893.14 913,786.59 353,996.19	None	Tai-Tsai-Shang Letter No. 032251 dated 2002.12.24 (reduction of capital by NT$373,977,640)
2004.12	10	290,000	2,900,000	144,812.453	1,448,124.53	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	370,509.17 776,718.60 300,896.76	None	JIn-Guan-Zhen Letter No. 0930132036 dated 2004.9.3 (reduction of capital by NT$255,551,390)
2005.12	10	215,000	2,150,000	53,870.233	538,702.33	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	137,829.41 288,939.32 111,933.60	None	JIn-Guan-Zhen (I) Letter No. 0940148548 dated 2006.1.2 (reduction of capital by NT$909,422,200)
2007.03	10	215,000	2,150,000	88,564.233	885,642.33	Cash capital increase Cash capital increase by private placement (Note 1) Capitalization of earnings to increase the capital Capital increase by capital reserves	137,829.41 346,940.00 288,939.32 111,933.60	None	Jing-Shou-Shang-Zi No. 09601078480 dated 2007.04.16 (private placement by NT$346,940,000)
2013.09	10	215,000	2,150,000	123,989.926	1,239,899.26	Cash capital increase Cash capital increase by private placement (Note 2) Capitalization of earnings to increase the capital Capital increase by capital reserves	137,829.41 346,940.00 643,196.25 111,933.60	None	Jing-Shen-Shang-Zi No. 10201198650 dated 2013.09.24 (allotment of 400 shares for every 1,000 shares of capital surplus)

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
2013.10	10	215,000	2,150,000	163,989.926	1,639,899.26	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves	537,829.41 346,940.00 643,196.25 111,933.60	None	Jin-Guan-Zheng-Fa-Zi No. 1020027799 dated 2013.8.8 and Jing-Shou-Shang-Zi No. 10201217870 dated 2013.10.28 (capital increase by cash for 258 shares per thousand shares)
2015.01	10	215,000	2,150,000	163,989.926	1,639,899.26	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4)	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00	None	Jin-Guan-Zheng-Fa-Zi No. 1030053299 dated 2015.1.26 (3.5 million treasury shares)
2015.06	10	215,000	2,150,000	164,512.310	1,645,123.10	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 5,223.84	None	Jing-Shou-Shang-Zi No. 10401106740 dated 2015.6.3 (converted 522,384 shares from corporate bonds)
2015.08	10	215,000	2,150,000	166,283.443	1,662,834.43	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 17,711.33	None	Jing-Shou-Shang-Zi No. 10401178050 dated 2015.8.26 (converted 1,771,133 shares from corporate bonds)

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
2016.03	10	215,000	2,150,000	166,527.220	1,665,272.20	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 2,437.77	None	Jing-Shou-Shang-Zi No. 10501042730 dated 2016.03.15 (converted 243,777 shares from corporate bonds)
2016.05	10	215,000	2,150,000	168,019.745	1,680,197.45	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 14,925.25	None	Jing-Shou-Shang-Zi No. 10501208210 dated 2016.08.22 (converted 1,492,525 shares from corporate bonds)
2016.08	10	215,000	2,150,000	171,437.642	1,714,376.42	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 34,178.97	None	Jing-Shou-Shang-Zi No. 10501208210 dated 2016.08.22 (converted 3,417,897 shares from corporate bonds)
2017.12	10	215,000	2,150,000	167,937,642	1,679,376.42	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 - 34,178.97	None	Jing-Shang-Shang-Zi No. 10601173430 dated 2017.12.25 (cancellation of treasury stock and capital reduction by 3.5 million shares)

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
2020.07	10	300,000	3,000,000	75,000,000	750,000,000	Decrease of capital to make up losses	929,376,420	None	Jin-Guan-Zheng-Fa-Zi No. 1090348568 dated 2020.07.14 to cancel 92,937,642 common shares
2021.11	10	300,000	3,000,000	90,000,000	900,000,000	Cash capital increase by (Note 5)		None	Jin-Guan-Zheng-Fa-Zi No. 1100370444 dated 2021.11.4
2024.08	10	300,000	3,000,000	108,000	1,080,000	Private placement capital increase by (Note 6)	261,000	None	Ministry of Economic Affairs, Business license No. 11330123080 dated 2024.08.08 (private placement of NT 261,000,000)

Note 1: Capital increased by 34,694 shares through private placement in 2007.03, at NT$4.9 per share.
Note 2: The public issuance through private placement was approved by Tai-Zheng-Shang-Zi No. 102001639 on 2013.09.03.
Note 3: Cash capital increase by NT$537,829.41 thousand, including the issuance of 40,000 additional common shares approved by Jin-Guan-Zheng-Fa-Zi No. 1020027799 dated 2013.8.8.
Note 4: The Company exercised treasury stock in the amount of NT$35,000 thousand from October 28, 2014 to December 27, 2014. On December 25, 2017, the Company canceled the treasury stock, reduced capital by 3.50 million shares, and changed the registration for the new shares.
Note 5: Cash capital increase by NT$165,500 thousand from issuance of 16,500 additional common shares approved by Jin-Guan-Zheng-Fa-Zi No. 1100370444 dated 2021.11.4.
Note 6:On August 2024, private placement capital increase by at NT$14.5 per share.

Information on shelf registration: None.

(II)List of Major Shareholders

March 28, 2025; Unit: Shares

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Gong cheng Co., Ltd.	8, 628, 430	7. 98%
Hsieh Lin Man-Li	7, 727, 539	7. 15%
Sangong International Co., Ltd.	7, 278, 532	6. 73%
Ping Yuan Co., Ltd.	5, 339, 674	4. 94%
Hsiehlin Co., Ltd.	5, 324, 426	4. 93%
Sangong Co., Ltd.	5, 293, 000	4. 90%
CHANG,JUNG-HUA	5, 000, 000	4. 63%
HANEGI CO., LTD.	3, 801, 000	3. 52%
Tongqingxin Creative Investment Co., Ltd.	2, 660, 000	2. 46%
Hsieh Kuo-Tong	2, 225, 521	2. 06%

(III)Dividend policy and implementation

1. The dividend policy stipulated in the Articles of Incorporation

   Article 27:

   If the company makes a profit in the year, it should allocate a maximum of 0.5% to 1% of employee remuneration and 2% of director remuneration. However, if the company still has accumulated losses, it should retain the amount to make up for the losses before making any allocation.

   Employee remuneration and directors' remuneration distribution proposals should be submitted to the shareholders' meeting.

   If the company's annual financial statements show a surplus, in addition to paying taxes and making up for losses in previous years in accordance with the law, 10% shall be set aside as a statutory surplus reserve. However, if the statutory surplus reserve has reached the company's paid-in capital, no further provisions may be made, and the remainder may be set aside or transferred as a special surplus reserve based on business needs or legal requirements. If there is still a surplus, the board of directors shall prepare a distribution proposal and submit it to the shareholders' meeting for resolution on distribution.

   Article 28:

   The Company's dividends are distributed in accordance with the earnings of the current year based on the principle of stabilizing dividends and budget plan to measure the capital requirements for future years. After the necessary funds have been financed from retained earnings, the remaining earnings are then distributed in the form of cash dividends The percentage of cash dividends shall not be less than 2% of the total dividends.

   The steps are as follows:

   I. Determine the optimal capital budget.

   II. Determine the financing needed to meet the capital budget.

   III. Determine how much the financing needs to be financed from the retained earnings (the remaining amount can be paid from capital increase in cash or in the form of corporate bonds).

   IV. The remaining earnings shall be distributed to the shareholders in the form of cash dividends.

2. Distribution of dividends proposed in the shareholders' meeting: There are no earnings available for distribution this year.

   At the 24th meeting of the 15th Board of Directors on March 11, 2025, the Company proposed a loss compensation proposal for 2024 as shown in the following table. This case will be handled in accordance with relevant regulations after the resolution is passed by the shareholders' meeting on May 26, 2025.

TRK Corporation
Deficit Compensation Statement
2024

Unit: NT$

Item	amount
Undistributed earnings at the beginning of the period (loss)	(230,676,489)
Profit (Loss) after tax for 2024	(46,727,390)
Recognition of change in ownership interest in subsidiaries	(62,051)
Deficit yet to be compensated at the end of year	(277,465,930)

Chairman：Lin Man-Li Managerial Officer：Wang Ying-Chih Chief Accounting Officer：Chen Pei-Ting

3. Expected material changes in dividend policy: None.

(IV) The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share:
Not applicable, as the Company's 2025 financial forecast does not need to be made public as of the date of the shareholders' meeting.

(V) Employee remuneration and directors' and supervisors' remuneration

1. The percentage of the profit for or scope of employee remuneration and directors' remuneration as stated in the Company's Articles of Incorporation:

   According to Article 28 of the Company's Articles of Incorporation, if the Company has a profit at the end of the year, it shall contribute up to 0.5%~1% of the profit as remuneration to employees and 2% of the profit as remuneration to directors and supervisors, provided the amount for covering losses must be first allocated. Employee remuneration and directors' and supervisors' remuneration distribution proposals shall be reported to the shareholders' meeting.

   If the Company has earnings at the end of the year, except for the payment of tax and making up losses of previous years, 10% of the legal reserve shall be set aside in advance. However, when the legal reserve has reached the Company's paid-in capital, no legal reserve shall be set aside. The remaining earnings may be set aside or reversed to special reserve as required by business needs or laws and regulations. For any remaining earnings, the Board of Directors shall prepare a proposal for distribution and submit it to the shareholders for resolution.

2. Basis for estimation of employee remuneration and directors' and supervisors' remuneration in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount: None.

3. Distribution of remuneration approved by the meeting of the Board of Directors: There are no earnings available for distribution this year.
   (1) Amount of employee remuneration and directors' and supervisors' remuneration distributed in cash or stock. Where there is a difference with the estimated amount for the year, in which the expenses are recognized, the amount of difference, reason, and accounting treatment shall be disclosed: None, as no distribution or estimation (recognized) was made.
   (2) The amount of employee remuneration in stock and the amount as a percentage of the sum of net income after tax as in the parent company only financial statements or individual financial report for this period and the total employee dividends for this period: The Company did not distribute employee remuneration.

4. Where there is a difference between the employee remuneration and directors' and supervisors' remuneration paid out and the estimated amounts for the prior year (including the number of shares distributed, amount, and stock price), the amount of the difference, reason, and accounting treatment shall also be specified: None.

(IX) The repurchase of the Company's shares:

Execution of the repurchase of the Company's shares pursuant to Article 28-2 of the Securities and Exchange Act is as follows:

Session of repurchase	First time	Second time	Third time
Purpose of repurchase	To be transferred to employees	To be transferred to employees	To be transferred to employees
Repurchase period	Estimated 2014.10.28 to 2013.12.27 Actual repurchase period 2014.10.28~2014.12.15	Estimated 2021.1.18 to 2021.3.14 Actual repurchase 2021.01.25~2021.03.12	Estimated 2021.05.20~2021.07.19 Actual repurchase period 2021.06.24~2021.07.19
Range of repurchase price	NT$15.00 - NT$25.00	NT$9.00 - NT$21.70	NT$9.00 - NT$18.00
Type and quantity of shares repurchased	Common stock 3,500,000 shares	Common stock 1,600,000 shares	Common stock 161,000 shares
Amount of shares repurchased	NT$70,180,721	NT$22,765,220	NT$2,209,330
Average repurchase per share (NT$)	NT$20.04	NT$14.23	NT$13.72
Number of shares cancelled and transferred	3,500,000 shares (Registration for the cancellation of treasury shares for capital reduction was completed on 2017/12.25, and the cancellation was completed on 2018/1/10)	1,600,000 shares (Transfer of treasury shares to employees completed on June 28, 2023)	1,600,000 shares (Transfer of treasury shares to employees completed on June 28, 2023)
Accumulated number of shares held by the Company	3,500,000 shares	1,600,000 shares	161,000 shares
Cumulative number of the Company’s shares held as a percentage of the Company’s total issued shares (%)	2.13%	2.13%	2.35%

II. Issuance of corporate bonds

(I) Corporate bonds outstanding by the Company as of the date the annual report was printed:

<table>
<tr><td colspan="2">Type of corporate bond</td><td>1st domestic secured convertible corporate bond
(principal and interest fully repaid at maturity)</td><td>2nd domestic unsecured convertible corporate bond
(remaining corporate bonds fully redeemed at the face value)</td></tr>
<tr><td colspan="2">Date of issue</td><td>February 12, 2015</td><td>February 13, 2015</td></tr>
<tr><td colspan="2">Face value</td><td>NT$100,000</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Issuance and transaction location</td><td>Taiwan</td><td>Taiwan</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued in full at face value</td><td>Issued in full at face value</td></tr>
<tr><td colspan="2">Total amount</td><td>NT$250 million</td><td>NT$250 million</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate: 0%</td><td>Coupon rate: 0%</td></tr>
<tr><td colspan="2">Duration</td><td>3 years
Maturity date: 2018/02/12</td><td>5 years
Maturity date: 2020/02/13</td></tr>
<tr><td colspan="2">Guarantor Institution</td><td>Chang Hwa Commercial Bank Co., Ltd. Jiancheng Branch</td><td>None</td></tr>
<tr><td colspan="2">Trustee</td><td>Trust Division, Jih Sun International Commercial Bank</td><td>Trust Division, Jih Sun International Commercial Bank</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>Yuanta Securities Co., Ltd.</td><td>Yuanta Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Attorney-at-Law</td><td>Chiu Ya-Wen, Lawyer of Handsome Attorneys-at-Law</td><td>Chiu Ya-Wen, Lawyer of Handsome Attorneys-at-Law</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>PwC Taiwan
CPA Yeh Tsui-Miao and Wang Fang-Yu</td><td>PwC Taiwan
CPA Yeh Tsui-Miao and Wang Fang-Yu</td></tr>
<tr><td colspan="2">Repayment method</td><td>The Company shall repay the bonds in cash in a lump sum at face value plus interest compensation upon maturity, except for the conversion of the bonds into common shares of the Company under Article 10 of these Procedures, or exercising of the repurchase option under Article 19 of these Procedures, or early redemption by the Company under Article 18 of these Procedures, or the repurchase and cancellation by the securities dealer's office.</td><td>The Company shall repay the bonds in cash in a lump sum at face value upon maturity, except for the conversion of the bonds into common shares of the Company under Article 10 of these Procedures, or exercising of the repurchase option under Article 19 of these Procedures, or early redemption by the Company under Article 18 of these Procedures, or the repurchase and cancellation by the securities dealer's office.</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>None</td><td>None</td></tr>
<tr><td colspan="2">Terms for redemption or early repayment</td><td>Please refer to the Procedures for Issuance and Conversion</td><td>Please refer to the Procedures for Issuance and Conversion</td></tr>
<tr><td colspan="2">Restrictive covenants</td><td>Please refer to the Procedures for Issuance and Conversion</td><td>Please refer to the Procedures for Issuance and Conversion</td></tr>
<tr><td colspan="2">Name of credit rating institution, the date of the rating, and the credit rating results</td><td>N/A</td><td>N/A</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of common shares, overseas depositary receipts or other marketable securities converted (exchanged or subscribed) up to the publication date of the annual report</td><td>None</td><td>None</td></tr>
<tr><td>Regulations Governing the Issuance and Conversion (Swap or Subscription)</td><td>Please refer to the Procedures for Issuance and Conversion</td><td>Please refer to the Procedures for Issuance and Conversion</td></tr>
<tr><td colspan="2">The issuance and conversion, exchange, or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity</td><td>The bonds issued on February 12, 2018 expired. The remaining NT$218,400,000 was recovered in full. The principal and interest were repaid on March 8, 2018.
No significant impact on shareholders' equity.</td><td>According to the Conversion Procedures, the bondholders may apply for sell-back of the bonds upon the expiration of three years. As of February 13, 2018, 1,139 bonds had been sold back.
The remaining 180 outstanding shares that were less than 10% of the total issue amount were redeemed at face value in</td></tr>
</table>

		accordance with Article 18 of these Procedures for Issuance and Conversion on April 11. The listing was terminated on April 12. No significant impact on shareholders' equity.
Name of the custodian for the exchange of the subject	None	None

(II) Information of conversion of corporate bonds

Type of corporate bond		1st domestic secured convertible corporate bond (principal and interest fully repaid at maturity)		2nd domestic unsecured convertible corporate bond (remaining corporate bonds fully redeemed at the face value)	
Item \ Year		2017	Current year up to 2018.02.12	2017	Current year up to 2018.04.11
Market value of convertible corporate bond	Max.	109.00	103.70	103.05	103.30
	Min.	103.30	103.70	100.00	99.90
	Avg.	104.89	103.70	101.56	101.64
Conversion price		NT$20.10	NT$20.10	NT$20.10	NT$20.10
Issuance date and conversion price at issuance		Issued on: February 12, 2015 Conversion price at the time of issuance: NT$20.10		Issued on: February 13, 2015 Conversion price at the time of issuance: NT$20.10	
Conversion performance method		By issuing new shares		By issuing new shares	

Note 1: Include the data of the current year up to the publication date of the annual report。

(III) Information on exchange of corporate bonds: None.

(IV) Issuance of corporate bonds with the self registration method:

Total amount to be raised and issued	NT$500 million
Total amount raised and issued (Including the amount of each issue/issue date)	NT$250 million/February 12, 2015 NT$250 million/February 13, 2015
Balance of registered corporate bonds	NT$500 million
Scheduled issuance period that have not yet conducted	None

(V) Information of corporate bonds with warrants: None.

III. Status of preferred shares : None.

IV. Status of overseas depositary receipts : None.

V. Status of employee stock option certificates : None.

VI. Status of restricted stock award (RSA): None.

VII. Status of new share issuance in connection with mergers and acquisitions : None.

VIII. Implementation of financing plans :

(I) Plan details

The content of each issuance or private placement of securities plan:

Unit: NT$

Plan Items	Issued type	Date of issue	Issuance period	Number of shares issued or amount	Expected progress of fund utilization
To invest in subsidiary companies to meet the long-term development needs of the Company and its subsidiaries.	1st private placement of common shares in 2024	2024/06/28	Not applicable	$261,000,000	Execution completed in Q3, 2024.

(II) Implementation status:

Progress of private placement fund utilization:

Unit: NT$

<table>
<tr><th rowspan="2">Plan Items</th><th rowspan="2">Issued type</th><th rowspan="2">Expected expenditure amount</th><th colspan="2">As of Q3, 2024</th></tr>
<tr><th>Actual expenditure amount</th><th>Progress of implementation</th></tr>
<tr><td>To invest in subsidiary companies to meet the long-term development needs of the Company and its subsidiaries.</td><td>1st private placement of common shares in 2024</td><td>$261,000,000</td><td>$261,000,000</td><td>100%</td></tr>
<tr><td colspan="5">Execution benefits: The funds raised from the private placement capital increase have been reinvested in the subsidiary to meet the long-term development needs of the Company and its subsidiaries. The U.S. subsidiary is currently in the store development stage. In addition to purchasing and renovating buildings within shopping malls for operation, it also acquires asset usage rights through leasing, followed by renovation and operation. The first store is expected to open in Q1 of 2025.</td></tr>
</table>

Four. Overview of Operations

I. Information on business

(I) Business scope

1. Main business activities of the Company and its subsidiaries
   A. Department stores
   B. Operation and management of commercial real estate in department stores that combine sports, entertainment and leisure venues.
   C. Develop niche innovative leisure real estate products and functional housing.
   D. Operation and management of sports leisure and parent-child amusement park.
   E. Operation and management of tourist hotels and catering businesses.

2. Proportion to businesses
   The revenue from department stores, sports and leisure services, and real estate development has been the main source of revenue since 2016. The operating percentage for the most recent two years is as follows:

Business items	2024	2023
	Percentage (%)	Percentage (%)
Department store	47.00	35.09
Sports and leisure	53.00	64.91
Real estate development	-	-
Total	100.00	100.00

3. Current product line
   A.Business in department stores
   The Company's Shopping Mall Division is mainly engaged in the operation of department stores. Currently, the Company owns two shopping centers - TAROKO MALL Taichung and Hsinchu Taroko Square.

   B.Business in sports and leisure
   As of the end of December 2024, the Sports and Parenting Division of the Company has 11 Taroko Sports, 4 bowling alleys, 1 karting field, 10 Yukids-Islands, 2 Formosa Stone Spa,and will continue to engage in the sports industries to achieve innovation, search for differentiated products and services, and become the leader in differentiated experience projects.
   The Company leased eight buildings of US military quarters in Yangmingshan from the Bank of Taiwan through the investee (with 60% shareholding) of Taroko Architecture Co., Ltd., to develop and operate American Village Co., Ltd., which provides consumers with an American-style leisure resort and outdoor American-style wedding venues.

   C.Real Estate Development Activities
   Taroko Architecture Co., Ltd., wholly owned by the Company, has invested resources for the reconstruction of the old and dangerous buildings, urban renewal projects, and land development projects. By doing this, we hope to inject a new source of profit in addition to the department store and sports and leisure industries.

4. New products (services) planned to be developed:
   A.Business in department stores: The Company continues to seek development projects with other industries in Taiwan.
   B.Business in sports and leisure:
   The company is actively preparing to establish a trendy entertainment center focused on motion-sensing gaming machines. The company has successfully developed the entertainment device "Taroko Batting Cage", which combines the American professional sports science equipment HitTrax with the specialized hardware construction technology of Taroko, completing the phase testing. The system equipped with the device can accurately analyze batting data and ball trajectories, combining virtual sports with sports science to provide consumers with an immersive swinging experience at Major League level. The "Taroko Batting Cage" not only enhances the fun of swinging but also becomes an important tool for Taroko to attract new customers and connect with the international market.
   C. Parent-child Entertainment Business:
   The main target audience of "Yu kids-Island" was originally children aged 4 to 7. It is expected that by expanding the business area, upgrading the playground equipment, and incorporating multimedia interactive technology, a new store format will be created to drive revenue growth.

(II) Overview of the industry

1. Current status and development of the industry

According to the industrial economic statistics, department stores in Taiwan have shaken off the haze of the pandemic, and the annual sales are at record high. Department store is one type of comprehensive retail industry, providing consumers one-stop shopping diverse shopping choices. Reflecting the consumers index, in 2014, the turnover exceeded NT$300 billion for the first time. From 2015 to 2019, despite the rapid development of e-commerce and the food retail market, the beneficiary of new shopping malls opened one after another, and the operator strengthened the entertainment and dining sectors, revenue is still growing by 3% per annum on average. It has always been the highest in the proportion of revenue in the general merchandise retail industry. However, due to the impact of the COVID-19 pandemic in 2020, revenue was overtaken by convenient stores for the first time in 2nd place. The pandemic disruption continued into 2021, leading to two consecutive years of negative growth. In 2022, Taiwanese people's lifestyles have gradually returned to normal due to the increase in vaccination coverage. Taiwan's revenue in the first eleven months has soared to NT$350 billion, reaching NT$353.7 billion, surpassing the pre-pandemic level (NT$323.5 billion in the same period in 2019). Sales ratio for this year was 27.8%, ranking first in the general merchandise retail industry again. The annual growth rate rebounded from a low base period to 15.8%. It is expected that the annual turnover will reach a new high, driven by the consumption opportunities in Christmas, New Year and other festivals and the opening of borders.

Department Stores Keeping Up with the Wave of Digital Transformation and Strengthening Market Competitiveness: Department stores have constantly adjusted their business strategies to cope with the above difficulties. Among them, the "developing member economy and strengthening members' consumption stickiness" was the highest at 92.6%. "Online social network" accounted for 90.7% of the second, followed by "providing the consumer mobile payment checkout function" at 88.9%. This shows that in response to the pandemic, department stores are actively promoting digital transformation and connecting with physical stores through the membership economy, APP, online shopping and social media feeds, among other things, to increase purchasing momentum and, in turn, drive continuous sales growth.

From January to November 2022, revenue in the U.S., Taiwan, and South Korea have all returned to pre-pandemic levels, with year-on-year growths of 1.3%, 15.8%, and 12.7%, respectively. However, in Japan, department stores have gradually declined in size due to the rise of online shopping and budget stores Although the turnover increased by 13.6% year-on-year, it was still down by 13.6% compared with that before the pandemic (the same period in 2019), and was less than half of the peak period in 1991. For the long-term development of the tourism, sports and leisure industry, there are still business opportunities. The Company uses its long-term accumulated business experience and resources in sports leisure and parent-child entertainment, and plans to add new types of equipment and services to meet the needs of consumers.

2. The relations between the up-, mid-, and downstream industries

Upstream	Midstream	Downstream
Commodity Suppliers Equipment suppliers and advertising companies	Shopping mall operators that provide leisure entertainment venues	The general public For example: companies, firms, individuals

(1)Various development trends of products

In order to meet the increasingly diverse demand for novel experiences from consumers, the Company is actively promoting digital transformation. This includes developing a membership economy through an app, offering various mobile payment options, and introducing technological facilities such as HitTrax AR reality baseball, enhancing the sports experience. At the same time, we have optimized venue POS systems, electronic tokens, electronic tickets, reservation services, and self-service ticket machines, streamlining the checkout process for consumers. This enhances the consumer experience, improves venue operational efficiency, and elevates service quality.

(2)Competition

In terms of operations across various business units, overall, the impact of inflation and rising prices has led to an increase in costs year by year. Coupled with intense market competition, the operating environment is becoming increasingly challenging. In the face of multiple competitive pressures, the management team and all employees of the Company remain dedicated to providing customers with a relaxing and enjoyable experience, continually improving services and facilities with passion and diligence. We look forward to standing out in the competitive market with outstanding service quality and constantly innovative experiences, bringing more stable profits to the Company.

(III)Technology and R&D

To fully promote the Group's digital transformation and improve operational efficiency and customer experience, the Company established the "Digital Application Office" in October 2022, responsible for the planning, promotion, execution, and acceptance of the Group's digital application systems. In recent years, we have actively promoted the digitization of membership systems and tokens across various business units, and introduced automated ticket vending machines, effectively simplifying the checkout process, optimizing

consumer experience, and significantly enhancing venue operational efficiency.
Since 2024, the Company has established the "Technological R&D Department." It is mainly responsible for the R&D of products and technologies of the sports department in accordance with the internal control and capital management guidelines. Responsible for the maintenance and repair of all major electrical, mechanical equipment and self-operated equipment in the venues. Management of access engineering, computer room, inventory, equipment and work environment safety. And, we provide technical support for international market developme

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

(1)Short-term plan:

Enhance the operating efficiency of existing locations

- Continuously improving service quality, optimizing the brand portfolio, offering richer and more diverse activities, and strengthening the customer experience.
- Leverage the strategic location of the Taichung Train Station as a transportation hub to attract more foot traffic and drive revenue growth.
- Launch membership discount programs and cross-industry collaboration events to create a differentiated competitive advantage and attract a broader consumer base.
- Strengthen social media marketing to enhance brand awareness and influence.
- Enhance the revenue and profitability performance of Taroko Mall Taichung and Hsinchu Taroko Square.

Expand the sports and leisure business:

- Continue to improve the business model by attracting consumers through innovation, trends, and differentiated experiences.

Speed up digital transformation:

- Continue to drive digital transformation to improve operational efficiency.
- Optimize online services to provide a more convenient booking and ticketing experience.
- Strengthen the application of data analysis to gain deeper insights into customer needs and provide more precise marketing strategies.

(2)Long-term plan:

Expand the scale of the business location:

- Actively pursue strategic collaborations with institutional investors, developers, and partners in the entertainment and retail sectors to expand additional locations.
- Target towns and districts with different population sizes and structures, developing regional and community-based shopping centers of various types, expanding chain brands and operational economies of scale to generate stable cash flow income.

Diversified development:

- Achieve balanced development in the areas of department store operations, sports and leisure, and construction development.
- Actively seek and develop new business models and ventures to diversify risks and enhance the Company's resilience.
- Enhance brand value:
- Deepen the development of experiential malls and core sports and leisure businesses to create a unique brand image and enhance brand value.
- Through diversified operations and innovative services, establish Taroko as the top leisure and entertainment brand in consumers' minds.

Enhance digital capabilities:

- Continue investing in digital technology applications to enhance the operational efficiency of each business unit.
- Foster an internal internet-driven mindset to accelerate digital transformation and ensure the sustainable operational benefits of the Company.

Internationalization development:

- Evaluate the expansion into overseas markets to introduce the Taroko brand to the international stage.
- Actively participate in international sports and leisure industry exchange events to expand global perspectives.

II. Overview of the market and production and sales

(I) Market analysis

(1)Locations where products (services) are primarily sold (provided)

TRK Corporation is primarily engaged in the sports and leisure industry. Having cultivated the Taiwanese market for many years, the Company has established multiple sports and leisure locations across various regions, offering a diverse range of sports and entertainment experiences.

In recent years, to expand into overseas markets, the Company has been actively establishing its presence in the United States and Japan.

U.S. Market: The Company established a U.S. subsidiary in 2023 and is currently in the site development phase, actively evaluating suitable locations. The methods of site acquisition include both purchasing and renovating shopping mall buildings for operations, as well as leasing right-of-use assets and then renovating them for operations, to increase flexibility in expansion. The first store is expected to open in Q1 of 2025, marking an important milestone in the Group's expansion into overseas markets.

Japan Market: The Japanese subsidiary is currently in the establishment phase, with relevant preparatory work actively underway.

(2)Market share

The Taroko Group's business is diverse, encompassing sports and leisure, department store retail and dining, real estate development, and more. In the sports and leisure sector, Taroko operates multiple sports and leisure venues, including baseball and softball batting cages, bowling alleys, roller rinks, go-kart tracks, and rock baths. It is one of the largest sports and leisure venue operators in Taiwan and holds a significant share of the Taiwanese sports and leisure market. Through clear planning of short- and long-term goals, the Group will continue to strengthen its competitiveness, expand its target customer base, and, with the synergy of its diverse businesses, is expected to significantly increase its market share.

(3)Supply and demand and growth potential of the market in the future

The added value created between the sports and leisure industry and other industries is exceptionally high, demonstrating immense development potential and positioning it as an emerging industry with significant future prospects. With the popularity and prevalence of sports around the world, emerging sports, physical fitness, and leisure activities have received wide attention in recent years. In addition to the professional sports upsurge in Europe and the United States and the mass media, the sports and leisure industry has emerged as a formidable new force in the market.

On the demand side, as health awareness rises, the need for sports and leisure continues to grow, showing a trend toward diversification. Consumers increasingly seek enhanced sports experiences, entertainment value, and social interaction. On the supply side, the availability of sports and leisure services in the market continues to grow, yet challenges remain in differentiation and innovation.

The Company continues to innovate in the sports and leisure industry, strengthening its competitiveness and expanding its target customer base through clear short- and long-term planning. We specialize in the integration of shopping malls, and continues to innovate in the sports and leisure industry to get hold of differentiated products and services, committed to becoming the leader of differentiated experiential items.

4. The competitive niche, favorable and unfavorable factors for future development and countermeasures

(1)Competitive niche:

The Company continues to innovate in the sports and leisure industry, strengthening its competitiveness and expanding its target customer base. Specializes in the integration of shopping malls, and continues to innovate in the sports and leisure industry to get hold of differentiated products and services, becoming the leader of differentiated experiential items.

(2)Favorable factors:

The Company possesses a diversified business portfolio in the sports and leisure industry, extensive operational experience and resources, a commitment to continuous innovation and differentiation strategies, proactive expansion of new locations, digital transformation, and strong brand influence. Coupled with the advantage of integrating sports entertainment themes with professional shopping mall operations, these strengths lay a solid foundation for future development.

(3)Unfavorable factors:

Outlets, large department stores and shopping malls continued to compete with each other, and the operating costs are significantly increased for lower sales. Strong growth in e-commerce, convenience store chains, and retail hypermarkets. The growing trend of outbound travel among nationals has led to a relative contraction in the domestic tourism consumption market.

(4)Response strategies:

The outlook for the sports and leisure industry remains promising. Taroko will continue to closely follow market trends, actively develop diverse sports and leisure projects, enhance service quality, and strengthen digital transformation. Through the synergies of its diversified business operations, the Company aims to comprehensively meet the increasingly diverse needs of consumers and realize its development vision.

(II) Important functions and production processes of main products

1. Department Store Business: The Taroko Mall Taichung and Taroko Square Hsinchu shopping centers.

2. Sports and Leisure Business: Baseball and Softball Batting Cages, Bowling Alleys, Go-Kart Tracks, Roller 186, Yu kids-Island, and Formosa Stone Spa.

3. Real Estate Development: The Company fully owns Taroko Architecture Co., Ltd., which invests resources in urban renewal, redevelopment, and land development. This aims to provide the Group with a new source of profit, in addition to the shopping mall and sports leisure industries.

(III) Supply of main raw materials: N/A. (The Company is in the Sports and Leisure, not in the general manufacturing industry).

(IV) The names of clients/suppliers with purchases (sales) accounting for at least 10% of the total in any of the last two years, the amount and percentage of the purchases (sales), and reason for increase/decrease:

1. Information on Major Suppliers for the Most Recent 2 Years

Unit: NT$ thousand

	2023				2024			
Items	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer
1	TSUTAYA, TAIWAN	42,370	29.45%	None	Hwa Tsu Cosmetic Co., Ltd.	22,642	19.57%	None
2	Hwa Tsu Cosmetic Co., Ltd.	22,230	15.45%	None	Ponderosa Y.S. Ltd.	20,334	17.57%	None
3	Ponderosa Y.S. Ltd.	20,757	14.43%	None	TSUTAYA, TAIWAN	10,459	9.04%	None
4	Others	58,517	40.67%		Others	62,282	53.82%	
	Monetary amount	143,874	100.00		Monetary amount	115,717	100.00	

Reason for change: This is due to the increase in the sales of bookstores and stationery and other goods.

2. Information on Major Customers for the Most Recent 2 Fiscal Years:

Unit: NT$ thousand

	2023				2024			
Items	Title	Amount	As a percentage of the annual net sale (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net sale (%)	Relations with the issuer
1	Others	1,324,752	100.00	None	Others	1,279,091	100.00	None
	Amount of sales	1,324,752	100.00		Amount of sales	1,279,091	100.00	

Reason for change: Department stores, leisure and entertainment business entities, and other business entities have relatively scattered sales targets, and no sales customers account for more than 10% of net sales.

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

Unit: Person; %

Year		End of 2023	End of 2024	March. 2025
Number of people	Indirect labor	144	180	175
	Direct labor	492	445	448
	Total	636	625	623
Average age		30.0	29.4	30.0
Average years of service		2.6	3.0	3.0
Distribution of education attainment	Doctoral Degree	0.2%	-	-
	Master Degree	3.1%	3.7%	3.7%
	College/university	75.5%	79.2%	79.5%
	Senior High	20.1%	16.5%	16.2%
	Below senior high	1.1%	0.6%	0.6%

IV. Information on environmental protection expenditure

(I) Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

Future countermeasures and potential expenses:

1. The construction companies have undertaken to undertake the construction projects invested by the Company. The environmental protection during the construction process is entirely the responsibility of the contractors, without the need to apply for pollution facility installation permits, pollution discharge permits, pay pollution prevention and control fees, or set up specialized environmental protection units with responsible personnel.
2. In terms of the reduction of the reduction of construction noise, prevention of dust and falling gravel, contractors are required to take the most comprehensive measures to fulfill their environmental responsibilities.
3. Possible future expenses: None.
4. Impacts upon the Company's financial operations in response to the implementation of the Restriction of Hazardous Substances Directive (RoHS): None.

V. Labor-management relations (For details, please refer to the Sustainability Report.)

(I) The Company's various employee benefit measures, continuing education, training, pension system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures.

1. Employee Benefit Measures:

- "Comprehensive Insurance Coverage" In addition to statutory insurance and pension contributions, the Company also provides group insurance and term life insurance for employees, offering support for medical or family living expenses.
- “Generous Gift Subsidies” In addition to receiving the Company's various congratulatory gift allowances, additional bonuses are provided through the Employee Welfare Committee. These include extra gift allowances for the three major festivals and birthdays, as well as for marriage, bereavement, childbirth, and hospitalization.
- “Diverse Consumer Benefits” The Company develops partnerships with high-quality vendors and signs exclusive agreements, allowing employees to enjoy exclusive discounts on shopping, travel, accommodation, and dining.
- “Flexible Leave System” All full-time employees are granted statutory holidays and annual leave as per the law, and the Company encourages employees to make good use of their leave to enjoy life.
- “Vibrant Club Activities” The Company provides subsidies for the establishment of various clubs, such as the softball club, badminton club, hiking club, and board game club, encouraging employees to participate in these activities, cultivate interests, and foster communication among colleagues.
- “Work-Life Balance” Each month, ful-time employees are given "Employee Welfare Vouchers" in electronic form,
  which can be fully redeemed for sports and entertainment services under the Company’s own brand, encouraging employees to engage in diverse activities. These vouchers can also be shared with family and friends, supporting a balance between work and family life.
- “Comprehensive Physical and Mental Care” Regular health check-ups are arranged, and professional occupational doctors and nurses are brought in to provide health management consultation services, safeguarding employees' physical and mental well-being.

2. Continuing training:
   - The Company places great emphasis on talent development by establishing a promotion system and a subsidy program for on-the-job training. The Company also plans periodic task training and job function development training for employees at different levels. The aim is to improve the work performance of employees , help them find value in themselves while working , and achieve long-term development in the organization. .
   - Taroko established a "Training System" from the perspective of long-term talent development and diverse cultivation. The system incorporates mandatory training credits, sports credits, and project credits. Based on the knowledge and skills required at different job levels, corresponding series of courses are planned. Through a variety of learning methods, we assist our partners in continuous growth. Our training management system includes the following items: Chain Operation Training: job skills, core competencies, leadership management, cultural inheritance, and the "Big Shot Arrival" (new staff) training.

3. A retirement system and implementation:
   - The Company's retirement system is implemented in accordance with the Labor Standards Act and the Labor Pension Act.
   - Retirement benefits include both the old pension scheme and the new pension scheme:
     Old pension scheme: In 2005, due to the Company's application for reorganization, all employees settled their old service years, and there are no employees currently subject to the old retirement scheme under the Labor Standards Act.
     New pension Scheme: The pension scheme follows a defined contribution model, with monthly contributions of 6% to the employee's individual pension account based on the "Monthly Wage Contribution Table for Labor Pension" issued by the Bureau of Labor Insurance.

4. Agreements between labor and management and various employee rights protection measures:
   - The Company values labor-management relations and provides multiple communication channels to ensure smooth communication among all parties and resolve employees' problems in a timely manner. Labor-management meetings are held regularly to enhance communication between management and employees and protect employees' rights. Employees can also express their views or file grievances via the Company's website or human resources mailbox.
   - We are dedicated to smooth communication between management and employees.
   - The Company regularly reviews and optimizes the promotion of various systems and policies, which are announced immediately. The Company also arranges education and training and seminars to promote these systems and policies.
   - As the Company complies with the Labor Standards Act and other related laws and regulations, there has been no major labor dispute or loss.
   - The Company holds employee meetings on a regular basis, where the head of each business unit is in responsible for reporting business performance. In doing this, employees can fully understand the important business information of the Company, promote labor-management harmony, and create a win-win situation for the Company and employees.
   - Job Welfare Committee: Established the "Employee Welfare Committee." The Committee prepares annual employee benefit plans, organizes meals, sports meetings, and distributes festive gifts. It also encourages employees to form clubs and organize club activities. Communication among employees to maintain the physical and mental health of employees. Special benefits: The Company enters into contract for special prices with quality companies, providing employees with exclusive discounts on shopping, housing, leisure travel, dining, etc.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management
(I) Describe cyber security risk management framework, policy, specific management plans, and resources put in cyber security management.

1. Cyber security risk management framework

The Company, in order to implement cybersecurity policies and promote information security messages, has added a dedicated information security personnel in 2024. This individual is primarily responsible for formulating the Company's information security policies, planning information security measures, executing related information security operations, and enhancing employees' information security awareness.
The information security team regularly reports the results of information security to the President and Chairman, and reports information security governance matters to the Board of Directors every year. It audits and evaluates the effectiveness of the internal control of the company information process. Moreover, to ensure the confidentiality, integrity, and availability of information, the team actively establishes a framework for active detection and defense to reduce the risk of damage or leakage of important internal data.
Accommodating the CPAs information operation inspections each year, if deficiencies are found, the team proposes and implements the corrective actions immediately, with the improvement results tracked.

2. Cyber security policy and management plan
In order to strengthen cyber security management, ensure the confidentiality, integrity and availability of information, while preventing it from internal and external intentional or accidental threats, the Company's information security facilities and management methods are divided into six major areas as follows:

(1) Security management of computer equipment
1. The Company's application servers and other equipment are set up in the dedicated computer room. The access to the computer room is controlled by proximity card and swipe cards, and access records are kept for record; the IT staff must escort the external vendors for maintenance, and the access time and operation items are recorded.
2. The server room is equipped with independent air conditioning to maintain the operation of computer equipment under an appropriate temperature environment, and equipped with fire extinguishers specially for server rooms for fires caused by general or electrical appliances.
3. The main engine of the server room is equipped with UPS and stabilized voltage equipment, and is connected to the generator power supply system provided by the Company’s own generator power supply system in the building. By doing so, we are able to prevent the system from crashing due to an accidental power outage by TPC to ensure the smooth operation of computer applications.
4. A Log Server has been established to retain important logs for more than six months for critical network equipment, in compliance with the cybersecurity management guidelines for listed companies.

(2) Network security management
1. Strengthen network control. The entrance to the external network is equipped with an enterprise-class firewall to prevent illegal invasion by hackers.
2. Data encryption for the site-to-site connection is used between the server rooms in Taichung and Hsinchu and the Taipei office to prevent data transmission process suffered from illegal capture.
3. Penetration testing and vulnerability scanning are conducted on the core system every April and October. High-risk vulnerabilities are patched to reduce the likelihood of hacker attacks.

(3) Virus protection and management
1. Protective software is installed in the server and in the terminal computers of employees. The virus codes are updated automatically to ensure that the latest type of viruses are blocked. At the same time the installation of potentially threatening system executable files can be detected and prevented.
2. The anti-virus system immediately isolates or deletes detected or intercepted viruses, and takes the initiative to issue risk reports on computers that are infected or at risk, so that management can take responsive actions.
3. The Company plans to introduce an endpoint protection and network behavior detection system in 2025 to immediately block malicious activities and prevent malware and ransomware attacks.

(4) System access control.
1. The use of various application systems by colleagues goes through the system permission application process defined internally by the Company and after being approved by the responsible supervisor and the information unit creates a system account. The system account shall be established by the information unit after the approval of the authority in charge.
2. Account passwords shall be approved only if they contain a mixture of letters, numbers, and special symbols with an appropriate strength, the number of characters.
3. When a colleague is resigning (off duty), he or she must contact the information unit to delete the account number in each system.

4. The Company plans to introduce a privileged account management system in 2025, requiring pre-authorization for core system operations, real-time monitoring during operations, and post-audit with generated audit reports.

(5) Ensure the stable operation of the system.

1. System backup: A backup system shall be installed and a regular backup mechanism shall be adopted. In addition to uploading one copy of the system and database to the backup server in the server room, the backup server in the Computer Server Room2 and the backup server in the Hsinchu server room each store another copy to ensure absolute security.
2. Disaster recovery drill: Each system is rehearsed once a year. After selecting the recovery date and reference point, the backup media will restore the data to the mainframe. The user will then confirm the accuracy of the restored data in writing to ensure the correctness and effectiveness of the backup media. .
3. The Company rents two data lines from the telecommunication company and used the bandwidth management equipment to backup each other in parallel to ensure uninterrupted network communication.

(6) Information security advocacy, education and training

1. Regular promotion. To prevent over-simplification and easy-guessing, the Company adds complexity to passwords and requires employees to change passwords regularly to ensure the security of accounts and passwords. The Company also conducts social engineering exercises from time to time to raise users' awareness of emails, avoiding browsing malicious e-mails that compromises network security and leads to personal information leakage.
2. Advocacy by lecture. Conduct information security-related training to internal colleagues from time to time.
3. Invest resources in security management of information and communications

3. To implement the six major information security policies, the Company has invested in the following resources:

(1) Network hardware equipment such as firewalls, mail anti-virus, and network managed centralized lines.
(2) Software systems such as backup management software and VPN authentication.
(3) Telecommunications services such as multiple lines, server backup services, intrusion prevention services, etc.
(4) Manpower invested such as: daily system status inspection, weekly regular backup and execution of off-site storage of backup media, information security training at least twice a year, annual system disaster recovery execution drill, annual internal audit of information circulation , CPA audit, etc.
(5) Information security manpower: An information security supervisor and information security personnel have been set up to be responsible for information security framework design, information security maintenance, operation and monitoring, information security incident response and investigation, and information security policy review and revision. Only one report is required. The information security supervisor reports to the Board of Directors at least once a year.

(II) Describe any losses incurred due to major cyber security incidents, potential impacts, and countermeasures in the most recent year and up to the publication date of this Annual Report. If the amount cannot be reasonably estimated, please specify the fact that it cannot be reasonably estimated: None.

VII. Important contracts

Nature of contracts	The Company	Counterparty of the contract	Start and end dates	Main contents	Restrictive covenants
Lease agreement	Taroko Development was transferred to the Taroko Square business	Fubon Life Insurance Co., Ltd	20 years from the lease commencement date (July 1, 2015)	Taroko Mall Taichung	None
Lease agreement	Taroko Development was transferred to the Taroko Square business	RT-Mart International Ltd.	17 years from the lease commencement date (March 31, 2016)	Buildings constructed on land occupied by lots 718 and 718-44 of the Wuling section in Hsinchu City	None
Financing and credit	TRK Corporation	Taiwan Cooperative Bank	2024/05/27~2025/05/27	Credit loans	None
Financing and credit	TRK Corporation	Taishin International Bank	2024/02/28~2025/02/28	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2024/04/17~2025/04/17	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2021/02/19~2026/02/19	Credit loans	None
Financing and credit	TRK Corporation	Bank of Panhsin	2023/08/25~2026/08/25	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2021/09/15~2028/09/15	Credit loans	None
Financing and credit	TRK Corporation	First Bank	2022/05/23~2027/05/23	Credit loans	None
Financing and credit	TRK Corporation	Shin Kong Commercial Bank	2024/08/15~2025/08/15	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2024/08/25~2025/08/25	Credit loans	None
Financing and credit	TRK Corporation	Chang Hwa Commercial Bank, Ltd.	2024/09/15~2025/09/15	Credit loans	None
Financing and credit	TRK Corporation	EnTie Commercial Bank	2024/09/28~2025/09/28	Credit loans	None
Financing and credit	TRK Corporation	Chang Hwa Commercial Bank, Ltd.	2023/10/17~2028/10/17	Credit loans	None
Financing and credit	Taroko Entertainment Co., Ltd.	Shin Kong Commercial Bank	2022/12/19~131/12/19	Credit loans	None
Financing and credit	Lu Hsin Co., Ltd.	Taiwan Cooperative Bank	2022/03/15~2027/03/15	Credit loans	None
Financing and credit	Lu Hsin Co., Ltd.	Chang Hwa Commercial Bank, Ltd.	2022/06/14~2027/06/14	Credit loans	None
Financing and credit	Lu Hsin Co., Ltd.	Shin Kong Commercial Bank	2023/12/18~2028/12/18	Credit loans	None

Five. Financial Position and Financial Performance Review Analysis and Risk Management

I. Comparative analysis of financial positions

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the annual report shall describe the measures to be taken in response:

Unit: NT$ thousand

Year / Items	2024	2023	Difference	
			Amount	%
Current asset	1,408,540	990,589	417,951	42.19%
Property, plant and equipment	821,698	653,793	167,905	25.68%
Intangible assets	87,852	90,640	-2,788	-3.08%
Other assets	3,173,594	3,136,559	37,035	1.18%
Current liabilities	1,661,333	1,445,933	215,400	14.90%
Non-current liabilities	2,745,458	2,636,491	108,967	4.13%
Total liabilities	4,406,791	4,082,424	324,367	7.95%
Equity attributable to owners of parent company	995,192	778,814	216,378	27.78%
Share Capital	1,080,000	900,000	180,000	20.00%
Additional paid-in capital	289,510	199,853	89,657	44.86%
Retained earnings	(277,464)	(230,676)	-46,788	20.28%
Other equity	(96,854)	(90,363)	-6,491	7.18%
Non-controlling interests	89,701	10,343	79,358	767.26%
Total equity	1,084,893	789,157	295,736	37.47%

The main reasons for changes in the ratio exceeding 20% and reaching 1% of the total assets for the year:

1. Increase in current assets from the previous period: Mainly due to the purchase of construction land this year.
2. Increase in property, plant and equipment from the previous period: Mainly due to the purchase of property this year.
3. Increase in share capital, capital reserve and equity attributable to the owners of the parent company from the previous period: Mainly due to the capital increase in cash by private placement this year.
4. Increase in retained earnings from the previous period: Mainly due to the increase in losses for this year.

II. Financial performance

(I) Comparative analysis of financial performance

1. Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT$ thousand

Item	2024	2023	Increase/decrease in amount	%
Net operating revenue	1,279,091	1,324,752	(45,661)	-3.45%
Operating Costs	(774,938)	(750,531)	(24,407)	3.25%
Gross Profit	504,153	574,221	(70,068)	-12.20%
Operating Expense	(519,632)	(493,779)	(25,853)	5.24%
Net operating loss	(15,479)	80,442	(95,921)	-119.24%
Non-operating income and expenses	(41,745)	(27,047)	(14,698)	54.34%
Net income (loss) from continuing operations	(57,224)	53,395	(110,619)	-207.17%
Income Tax Expense	-	1,585	(1,585)	-100.00%
Net income (loss) of continuing operations in this period	(57,224)	54,980	(112,204)	-204.08%
Current net loss	(57,224)	54,980	(112,204)	-204.08%

Explanations for changes exceeding 20%:
1. Increase in operating net loss: Mainly due to the construction of new venues in 2024, and the increase in operating expenses before the construction.
2. Increase in profit before tax from continuing operations, net income from continuing operations, and net income in the current period: Mainly the loss incurred in the current period.

(II) Estimated sales volume and basis:
Please refer to " One. Letter to Shareholders ".

(III) Possible impact on the future financial business of the Company and measures to be taken in response:None.

III. Cash flow review and analysis

(I) Analysis and description of cash flow changes in the most recent two years

Unit: NT$ thousand

Balance of cash (1)	(1) Net cash flow from operating activities in the future (2)	Annual cash outflow (inflow) from investing and financing activities (3)	Effect of exchange rate changes on cash and cash equivalents (4)	Cash flow surplus (deficit) amount (1)+(2)-(3)+(4)	Remedial measures for cash flow deficit	
					Investment plan	Financial plan
489,311	42,827	123,718	1,017	167,562	-	-

1. Analysis of changes in cash flows for the year
(1) Operating activities The net cash inflow from operating activities for the year was NT$42,827 thousand, mainly due to the net profit before tax generated from operating activities.
(2) Investing activities: The net cash outflow from investing activities for the year was NT$287,601 thousand, mainly due to the increase in the acquisition of property, plant, and equipment this year.
(3) Financing activities: The net cash inflow from financing activities for the year was NT$411,319 thousand, mainly due to an increase in other payables-related parties and the proceeds from the cash capital increase.

(II) Corrective measures to be taken in response to illiquidity: Not applicable, as it did not occur.

(III) Liquidity analysis for the coming year:

Balance of cash (1)	(1) Net cash flow from operating activities in the future (2)	Annual cash outflow (inflow) from investing and financing activities (3)	Cash flow surplus (deficit) amount (1)+(2)-(3)	Remedial measures for cash flow deficit	
				Investment plan	Financial plan
656,873	205,526	41,369	903,768	-	-

1. Cash liquidity analysis for the coming year:
(1) Operating activities: The net cash inflow from operating activities for the year was NT$155,842 thousand, which is mainly due to the expected net cash inflow from operating activities in 2024.
(2) Investing activities: The net cash outflow from investing activities for the year was NT$312,858 thousand, mainly due to the expected capital expenditures in 2024 for the purchase and lease of asset conversion, investment in land development, and capital increase by reinvestment companies.
(3) Financing activities: The net cash inflow from financing activities for the year was NT$72,500 thousand, mainly due to the increase in bank loans.
2. Remedial measures for projected cash deficits and liquidity analysis: Not applicable.

IV. Influence of major capital expenditures on financial business in the most recent year

To strengthen the competitiveness of the sports and leisure business and become a leading brand of sports and leisure experiential business, the Company plans to add Taichung Beitun Sports Stadium, Formosa Stone Spa TAROKO MALL Taichung and US batting cage in 2024, with our accumulated operating experience and resources for sports and leisure and parent-child leisure and entertainment, we are planning to add new types of leisure and entertainment equipment and services to meet the needs of the expanding consumer in order to improve operating efficiency. This capital expenditure leads to an increase in operating costs such as depreciation and employment costs. If the economic scale is not achieved at the initial stage of establishment, it will have a negative impact on the Company's finance.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan, and investment plan for the following year:

(I) Reinvestment policy for the most recent year:
The Company's main policy of diversifying investments is to increase profits.

(II) Investment for the most recent year, the main reasons for profit or loss, improvement plan

December 31, 2024; Unit: NT$ thousand

Investee	Shareholding ratio (%)	Investment gains/losses recognized in 2024	Main reason for profit or loss	Improvement plan
Gowin Development Ltd.	100	(105)	Losses resulting from the recognition of operating expenses	-
Taroko Architecture Co., Ltd.	100	(5,287)	Losses resulting from the recognition of operating expenses	-
Taroko Recreation Management Co. Ltd	100	(105)	Losses resulting from the recognition of operating expenses	-
Taroko Entertainment Co., Ltd.	100	14,742	Making a steady profit	-
Lu Hsin Co., Ltd.	70.04	(22,561)	Insufficient business volume to cover fixed expenses	As it is still in its initial stage, we will continue to develop stable customers to improve profitability.
Taroko US Corporation	81.37	(29,845)	Losses resulting from the recognition of operating expenses	It was established at the beginning and has not yet started operation.
Taroko US CA Corporation	100	1,238	Non-operating income recognized	It was established at the beginning and has not yet started operation.
Shanghai G-RUN Sports Management Co., Ltd.	30	-	Operating losses of the leisure and entertainment industry	-
Shi-Niang Food & Drink Co., Ltd.	49	818	Making a steady profit	-
GJI Ron Company Limited	32.55	(11)	Losses resulting from the recognition of operating expenses	-
He Chen International Development Co., Ltd.	18.75	54	Non-operating income recognized	-
Ya Chen International Development Co., Ltd.	19	8	Non-operating income recognized	-
Boruem Real Estate Development Co., Ltd.	25	43	Non-operating income recognized	-
American Village Co., Ltd.	60	2,012	Making a steady profit	-

(III) Investment plans for the coming year:
Plans to add American sports hitting fields.

VI. Risk matters: The following matters in the most recent year and up to the publication date of the annual report shall be analyzed and assessed:

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profit or loss and future countermeasures:

The Company regularly evaluates the interest rates of bank loans and maintains close contact with banks to obtain more favorable loan terms. Exchange rate changes and inflation have had no significant impact on the Company.

(II) The policy on engagement in high-risk and highly leveraged investment, loans to others, endorsements/guarantees provided, and derivatives trading, the main reason for profit or loss, and countermeasures:

The Company does not engage in high-risk, high-leverage investments, endorsements/guarantees, and transactions of derivatives. Procedures for the lending of funds to others have been formulated and announced in accordance with the regulations.

(III) Future R&D plans and R&D expenses expected to be invested: There are no future development plans.

(IV) The influence of the changes in important policies and regulatory environment at home or abroad on the Company's financial business, and countermeasures: None.

(V) The influence of changes in technology (including cyber security risks) and the industry on the Company's financial business and countermeasures: None.

(VI) The influence of a change in corporate image on corporate crisis management and countermeasures: None.

(VII) Estimated benefits and potential risks of M&A and countermeasures: None.

(VIII) Estimated benefits, potential risks of plant expansion, and countermeasures: None.

(IX) Risks of supplier or client concentration and countermeasures: None.

(X) The influence of massive transfer or replacement of shares by the directors, supervisors, or shareholders each holding more than 10 % of the shares issued by the Company, the risk thereof, and countermeasures: None.

(XI) The influence of change in the Company's management right, the risk thereof, and countermeasures: None.

(XII) In the case of a court case or a non-contentious case, specify the names of the directors, supervisors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subsidiaries with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' equity or stock price, disclose the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report: None.

(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Matters

I. Relevant information on affiliates

(I)Affiliate merger business report and relationship report: Please refer to the Public Information Observation Station(Website: https://mops.twse.com.tw/ Single Company > Electronic Document Download / Related Enterprise Three-Book List Area)

Consolidated financial statements of related companies: Please refer to the Public Information Observatory (Website: https://mops.twse.com.tw/Single Company>Electronic File Download/Financial Report/2024 Fourth Quarter Consolidated Financial Report)

(II)Industries covered by the overall business operations of affiliates: The business of Taroko and its affiliates cover northern, central and southern Taiwan and mainland China. The main businesses include real estate development, leisure and sports stadium operations, department stores and other general retail businesses, investment in mainland China and sports and leisure venue operation and food and beverage management.

(III)Information of the same shareholders Taroko presumes to have control or affiliation relationship: None.

(I) Basic information on each affiliate

TRK Corporation

Basic information of each affiliates December 31, 2023; Unit: NT$/thousand

Company	Date of Incorporation	Address	Paid-in capital	Principal business items
Gowin Development Ltd.	1995.09.22	The Creque Building, P.O. Box 116, Road Town, Toriola, British Virgin Islands	US$6,375	Holding company invested in Mainland China
Taroko Architecture Co., Ltd.	2005.09.22	9F, No. 186, Sec. 4, Fuxing Rd., East Dist., Taichung City, Taiwan	NT$200,000	Real estate and securities trading
Taroko Recreation Management Co., Ltd.	2014.01.15	Le Sanalele Complex, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa	US$11,910	Holding company invested in Mainland China
Taroko Entertainment Co., Ltd. (Formerly known as Taroko Circuit International Co., Ltd.)	2015.06.10	9F, No. 186, Sec. 4, Fuxing Rd., East Dist., Taichung City, Taiwan	NT$70,010	Leisure activity venue business
Lu Hsin Co., Ltd.	2021.05.05	9F, No. 186, Sec. 4, Fuxing Rd., East Dist., Taichung City, Taiwan	NT$45,000	Wholesale of stationery and books
American Village Co., Ltd.	2015.07.31	No. 69, Kaixuan Rd., Shilin Dist., Taipei City	NT$28,000	General hotels and restaurants
Taroko US Corporation	2023.09.12	3524 Silverside Rd #35b, Wilmington, DE 19810-4929,USA	US$16,046	Holding company reinvested in the U.S.A.
Taroko US CA Corporation	2023.11.08	1339 Perlita, Irvine, CA92618,USA	US$300	Recreational Activities Venue

(II) Overview of the operations of affiliates

December 31, 2023; Unit: NT$ thousand

Name of affiliate	Amount of capital	Total assets	Total liabilities	Net worth	Operating Revenue	Operating Loss	Current profit and loss (after tax)	EPS (after tax)
GOWIN DEVELOPMENT LTD.	243,648	5,254	-	5,254	-	(107)	(105)	(0.00)
Taroko Architecture Co., Ltd.	200,000	195,465	85,401	110,064	3,753	(15,318)	(5,767)	(0.29)
TAROKO RECREATION MANAGEMENT CO., LTD.	371,827	5,373	-	5,373	-	(61)	(105)	(0.01)
Taroko Entertainment Co., Ltd.	70,010	175,447	129,529	45,918	76,786	16,228	13,799	1.97
Lu Hsin Co., Ltd.	45,000	79,358	120,248	(40,890)	52,031	(13,531)	(32,223)	(7.16)
American Village Co., Ltd.	28,000	64,594	32,807	31,787	33,313	4,025	3,354	1.20
Taroko US Corporation	526,136	485,460	6,438	479,021	-	(40,912)	(32,048)	(6.72)
Taroko US CA Corporation	9,377	11,842	15,931	(4,089)	-	1,205	1,238	12.85

(III) Information on directors, supervisors, and presidents of affiliates

March 28, 2024

Company	Title	Name or representative	Shareholding	
			Number of shares (in thousands)	Shareholding ratio
GOWIN Development Ltd.	Director	Representative of TRK Corporation: Lin Man-Li	6,375	100.00%
	Director	Representative of TRK Corporation: Hsieh, Kuo-Tong		
TAROKO Recreation Management Co., Ltd.	Director	Representative of TRK Corporation: Lin Man-Li	11,910	100.00%
	Director	Representative of TRK Corporation: Wang Ying-Chih		
Taroko Architecture Co., Ltd.	Chairman	Representative of TRK Corporation: Lin Man-Li	20,000	100.00%
	Director	Representative of TRK Corporation: Temporary Vacancies		
	Supervisors	Representative of TRK Corporation: Wang Ying-Chih		
Taroko Entertainment Co., Ltd.	Chairman	Representative of TRK Corporation: Lin Man-Li	7,001	100%
	Supervisors	Representative of TRK Corporation: Feng Sheng-Hong	0	0.00%
Lu Hsin Co., Ltd.	Chairman	Representative of TRK Corporation: Lin Man-Li	3,152	70.04%
	Director	Representative of TRK Corporation: Hsieh, Kuo-Tong		
	Director	Representative of TRK Corporation: Li Yi-Chuan		
	Director	Representative of TRK Corporation: Hsu Yao-mao		
	Director	Representative of Tongqingxin Creative Investment: Hsu Yung-Chang	1,345.5	29.90%
	Superviso	Feng Sheng-Hong	0	0.00%
American Village Co., Ltd	Chairman	Hsu Hong-Bin	280	10.00%
	Director	Representative of Taroko Architecture Co., Ltd.: Hsieh, Kuo-Tong	1,680	60.00%
	Supervisors	Ching Tien-Jui	280	10.00%

II. Private placement of securities in the most recent year up to the publication date of this annual report:

Private placement securities information

Item	2024 1st Private Placement Release date: August 27, 2024
Types of Private Placement Securities	Common Stock
Board of Directors and Shareholders Meeting By date and quantity	On April 15, 2024, the Board of Directors resolved to approve the Company's plan to conduct a cash capital increase by issuing common shares through private placement. On June 13, 2024, the Board of Directors approved the establishment of the 1st private placement of common shares in 2024 and the record date for capital increase. The Company's Board of Directors was authorized to issue common shares within the quota of 20,000,000 common shares in the shareholders' meeting on May 31, 2024, and the issuance of common shares was divided into two installments within one year from the date of the resolution of the shareholders' meeting. The Company conducted the 1st private placement of common shares on June 13, 2024. The private placement of 18,000,000 shares was raised with NT$261,000,000 of paid-in capital. This private placement case will expire on May 30, 2025. The remaining 2,000,000 common shares that have not been issued will not be completed due to the approaching deadline. The Board of Directors resolved on March 11, 2025, not to continue with the issuance of common shares for cash capital increase through private placement, which was approved by the resolution of the 2024 shareholders' meeting, and this will be reported at the shareholders' meeting on May 26, 2025.
Basis and rationality of price setting	1. With reference to relevant laws and regulations, the price of this private placement shall not be lower than 80% of the higher of the following reference prices: A. Calculate the simple arithmetic average of the closing prices of common stocks one, three or five business days before the pricing date, deduct the ex-rights and dividends of the free allotment, and add back the stock price after the capital reduction and ex-rights. B. The simple arithmetic average of the closing prices of the common stock for the thirty business days before the pricing date, minus the ex-rights and dividends of the free rights issue, and adding back the ex-rights price after the capital reduction. 2. The actual issue price is authorized to be determined by the Board of Directors in accordance with the provisions of laws and regulations and within the range of pricing basis and percentage not less than the resolution of the shareholders' meeting, with reference to the market and company conditions at that time. 3. The issuance price of the common shares in this private placement shall be no less than 80% of the reference price, so there is no need to attach an expert opinion. 4. The basis for determining the aforementioned private placement price complies with the provisions on matters that public companies should pay attention to when handling private securities, so the determination of the price of the common stock in this private placement should be reasonable.
Method of selection by a specific person	The selection of specific persons shall be limited to specific persons who meet the requirements of Article 43-6 of the Securities and Exchange Act. Potential applicants include banking, bill and securities, trust, insurance, securities, or other legal persons or institutions approved by the competent authority, or natural persons, legal persons, funds, or insiders and related persons who meet the requirements set by the competent authority. However, there is no confirmed investor yet.

Item	2024 1st Private Placement Release date: August 27, 2024				
	In order to improve the feasibility of the Company's private placement of securities, the applicants for this private placement of common stock are intended to include insiders and related persons. According to Article 4 of the "Things to Note for Publicly Issued Companies Conducting Private Placements of Securities", if the applicant is an insider or related person of the company, the list of applicants, the selection method and purpose, and the relationship between the applicant and the company should be fully discussed at the board of directors, and this should be stated in the reasons for convening the shareholders' meeting. If the requirements are not met, the aforementioned persons will not be allowed to subscribe thereafter. If there are insiders or related persons among the applicants for this case, the Company will select those who have considerable understanding of the Company's operations and are beneficial to the Company's future operations, so as to achieve the purpose of strengthening the shareholder structure and supporting the Company's long-term development, and also to improve the Company's financial structure and enhance shareholder rights. A possible list of insiders or related persons who may be applicants is set out in Appendix 1, but such list is only a list of potential applicants and does not imply that such insiders or related persons have known or agreed to subscribe for the Company's private placement common shares. Other options for applicants include strategic investors who can directly or indirectly assist the company's long-term operations and development. The selection of the actual applicants will be proposed to the shareholders' meeting to authorize the board of directors to decide. For the sake of the company's stable and sustainable operation, the board of directors will not consider any specific applicants that involve major changes in management rights. Therefore, there should be no situation in which the management rights will undergo major changes after the private placement.				
Necessary reasons for conducting private placement	(I) Reasons for not adopting a public offering: In order to meet the needs of long-term development such as operational growth and replenishment of operating capital, or to introduce strategic investment partners, etc., and considering that the private placement method is relatively quick and simple in terms of time efficiency and that private placement securities are subject to the provision that they cannot be freely transferred within three years, the long-term cooperative relationship between the company and its investment partners can be ensured; in addition, by authorizing the board of directors to conduct private placements according to the company's operational needs, the mobility and flexibility of fundraising will be effectively improved. (II) Private Placement Amount: The number of shares issued shall not exceed 20,000,000 (inclusive) common shares, with a par value of NT$10 per share, all of which shall be registered common shares. The private placement of common shares may be authorized by the Board of Directors to be processed no more than twice within one year from the date of the shareholders' meeting resolution. (III) Use of funds: All funds will be used to supplement working capital. (IV) Achieving benefits: Improving financial structure, enhancing operational efficiency, and strengthening the company's competitiveness will have a positive impact on shareholder value.				
Payment completion date	June 27,2024				
Applicant Information	Private placement targets	Qualifications	Subscription Quantity	Relationship with the company	Participating company operations
	Hsiehlin Co., Ltd.	Article 43-6, Paragraph 1, Clause 3 of the Securities and Exchange Act	2,150,000	The person in charge, Lin Man-Li, is the chairman of the company	Yes
	Sangong Co., Ltd.	Article 43-6, Paragraph 1, Clause 3 of the Securities and Exchange Act	1,450,000	The person in charge, Lin Man-Li, is the chairman of the company	Yes

Item	2024 1st Private Placement Release date: August 27, 2024				
	HANEGI CO., LTD.	Article 43-6, Paragraph 1, Clause 3 of the Securities and Exchange Act	3,310,000	The person in charge, Wang Ying-Chih, is the President of the company	Yes
	Ping Yuan Co., Ltd.	Article 43-6, Paragraph 1, Clause 3 of the Securities and Exchange Act	0	The person in charge, Lin Man-Li, is the chairman of the company	Yes
	Tongqingxin Creative Investment Limited liability company	Article 43-6, Paragraph 1, Clause 3 of the Securities and Exchange Act	0	The person in charge, Hsu Yung-Chang, is the Corporate Director of the company	Yes
	Wang Ying-Chih	Article 43-6, Paragraph 1, Clause 2 of the Securities and Exchange Act	1,000,000	President of the Company	Yes
	Hsieh Kuo-Tong	Article 43-6, Paragraph 1, Clause 2 of the Securities and Exchange Act	0	Strategic Advisor to the Company	Yes
Actual subscription or conversion price	NT$14.5				
Difference between actual subscription or conversion price and reference price	Actual subscription price 80.49% of the reference price of NT$18.015 per share				
The impact of private placement on shareholders' rights Such as: causing the cumulative loss to increase	Increase the amount of shareholders' equity and improve the net value per share.				
Private placement fund utilization and plan execution progress	The plan is to use all the funds to reinvest in subsidiaries to meet the long-term development needs of the company and its subsidiaries, and the implementation was completed in the third quarter of 2024.				
The manifestation of the benefits of private placement	The funds raised from this private placement capital increase plan have been invested in subsidiaries to meet the long-term development needs of the Company and its subsidiaries. Currently, the U.S. subsidiary is in the store development stage. In addition to purchasing buildings in shopping malls and converting them for operation, it also obtains the right to use assets through leasing and then converts them for operation. It is expected to open its first store in the first quarter of 2025.				

III.Other necessary supplementary information: None.

IV. Any event as specified in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act with a material impact on shareholders' rights and interest or securities prices occurred to the Company during the most recent year and up to the publication date of this annual report: None.

TRK CORPORATION

Audit Committee's Review Report

The Board of Directors has prepared the parent company only financial statements and the consolidated financial statements of the Company for the year ended December 31, 2024, which have been audited by CPAs Wang Fang-Yu and Lin Kuan-Hung from PwC Taiwan and an independent auditors' report has been issued. The financial statements together with the business report and the losses make-up proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Review Report is hereby presented for your examination.

TO:

2025 Regular Shareholders' Meeting of TRK CORPORATION

Convener of the Audit Committee: Huang, Ming You

March 11, 2025

大魯閣實業
TRK CORPORATION

Taroko TAROKO SPORTS 大魯閣棒壘球

TAROKO SPORTS Taroko TAROKO BATTING CAGES & ARCADE

福湯 岩盤浴

Taroko TAROKO SPORTS 大魯閣保齡球

遊戲愛樂園 Yu Kids Island

Roller 1862

AMERICAN VILLAGE 陽明山美國渡假村 Style 80's resort in Taipei

熟成咖哩の味 Mr.D加哩

大魯閣新時代 TAROKO MALL

大魯閣湳雅廣場 TAROKO SQUARE