Stock Code: 1817

SANITAR Co., Ltd.

2024 Annual Report

<u>Notice to readers</u>

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

Taiwan Stock Exchange Market Observation Post System (MOPS):
http://mops.twse.com.tw
SANITAR's Annual Report:
http://www.caesar.com.tw
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Overseas Securities Exchange
None

Company website
http://www.caesar.com.tw

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I. Report to Shareholders

Dear shareholders,

We would like to thank you for attending our annual shareholders' meeting and would like to express our sincere welcome on behalf of SANITAR Co., Ltd. The following is a report of the Company's operating results for the year ended December 31st, 2024 and its operating plan for the year 2025.

1. Operating Performance in 2024
   (1) Business Plan Implementation Results

   For the year ended December 31st, 2024, the Company's consolidated operating revenues were NT$2,790,325 thousand, a increase of 11.58% compared to NT$2,500,832 thousand for the year ended December 31, 2023; consolidated net income was NT$321,109 thousand, an increase of 35.23% compared to NT$237,458 thousand for the year ended December 31, 2023; consolidated earnings per share was NT$4.37. The business operations in the Vietnam region were significantly impacted by factors such as the overall environment and intensified geopolitical risks. Meanwhile, in Taiwan, the company continued to focus on the repair and maintenance market while expanding its operations in new construction and public works markets, leading to sustained growth. The consolidated operating income increased compared to the previous year.

   (2) Budget implementation

   The Company did not publicly disclose its financial forecast in 2024.

   (3) Financial situation and profitability analysis

Unit: NT$ thousands

Item \ Fiscal year			FY2023	FY2024	Percentage increase (decrease)
Financial situation	Operating revenue		2,500,832	2,790,325	11.58
	Gross operating profit		857,622	989,479	15.38
	Net operating profit		288,612	372,524	29.07
	Net profit before tax		308,255	408,552	32.54
Profitability	Return on assets (%)		8.91	11.71	31.43
	Return on equity (%)		11.66	14.92	27.96
	Ratio to paid-in capital (%)	Operating profit	39.75	51.31	29.08
		Pretax profit margin	42.45	56.27	32.56
	Profit margin (%)		9.49	11.51	21.29
	Earnings per share (NT$)		3.27	4.37	33.64

   (4) Research and development status

   Our research and development can be divided into two main areas, one is the improvement of production process and the other is the development of new products.

   A. Production process improvement
      a. The one-piece toilet and medium and large toilets are glazed inside the lead-in pipe to make the inside of the pipe less dirty and to improve the flushing efficiency.
      b. Optimize the glaze of porcelain to improve the surface anti-pollution efficiency and the brightness of porcelain glaze.
      c. Complete automatic ceramic body feeding system from high pressure production to oil inspection section.

B. New Product Development

a. The Company focuses on integrating multiple technologies to differentiate products and provide consumers with a better user experience. For example, the urinal combines next-generation intelligent ion sensing technology, ozone sterilization and deodorization technology, and Microbubble shower technology to achieve deep skin cleansing and moisturizing effects. Additionally, the development of high-tech bidets and toilet seats with advanced features is underway. In the future, the Company will collaborate with Biophysical to jointly research and develop a series of long-lasting germ-killing and cleaning-related sanitary products, advancing the field of technological sanitary ware.
b. The plasma antimicrobial kitchen faucet product has entered the mass production phase, advancing the development of technological sanitary ware and improving the convenience and quality of life for the public.
c. In response to the development of the pandemic and the improvement of people's quality of life, the Company has developed a series of ozone sterilization products for public spaces (such as urinal flushers and sensor faucets) to enhance public hygiene standards.
d. The "baked-on" hydrophilic film continues to be promoted for high-end single toilets and washbasins. Upgrades for toilet connection parts and corrosion-resistant modifications for urinal covers are also under development.
e. In response to environmental trends, the Company is increasing the development of "lead-free" items. Additionally, due to the pandemic, the Company is researching antimicrobial treatments for touchpoints. New color options (such as red and gold baked finishes) are being incorporated, and the electroplating quality of mid- to high-end items is continually being upgraded.
f. Product design is moving towards a more serialized and holistic bathroom space approach, streamlining product lines, eliminating outdated models, and embracing a fashionable, minimalist style. In response to the future market trend for bathroom storage and basin cabinet sets, the Company developed a variety of FFC cabinet basins in 2018 using FFC technology. After the bath cabinet factory started production, the modular design has helped reduce costs, accelerate style development, and improve production efficiency. New products continue to be developed with concepts such as color diversification, combination and matching, and space expansion to meet the market's diverse demands while offering consumers cost-effective options.
g. With the continued expansion of social housing and the promotion of related policies, in response to same-floor drainage construction methods and labor/material shortages, the Company has introduced a new integrated bathroom solution (UB) that offers the advantages of pre-assembly, reducing construction time and labor requirements, and providing more customization options.

2. Business Plan for 2025

(1) Business objectives

A. We continue to refine our production technology and actively develop new products and innovative designs to enhance product quality and value.

B. To increase customer satisfaction, we combine product advantages, flexible combination solutions and prompt service to become the best choice for consumers.

C. We attach importance to talent training, create a good working environment and development system, and cultivate talents as the cornerstone of sustainable management.

D. We care about environmental protection, use green technology to reduce the consumption of electricity and water resources, improve the product manufacturing process to reduce the impact on the environment, protect the health of consumers, and do our part for the earth.

E. The company operates with integrity and pragmatism, and upholds the business philosophy of "quality first and customer satisfaction", continuously investing in product development and innovation to bring consumers affordable luxury bathing experience, and sharing the business results with shareholders, employees and the public, gradually enhancing corporate value.

(2) Sales forecast and its basis

The Company did not publicly disclose its financial forecast for 2025.

(3) Important Production and Marketing Policies

A. The bath cabinet factory and the faucet factory have been completed and opened. When the production capacity is gradually put in place, the benefits are expected to ferment and further increase the sales revenue of the ceramics and faucet fixtures.

B. By utilizing FFC's technological advantages, we are able to manufacture high-end technology products and increase the price range of our products in order to position ourselves in the high-priced market.

C. We also set up production plans, coordinate with sales policies and sales forecasts, effectively control the quantity and amount of inventory, provide sufficient safety stock, and eliminate ineffective and stagnant inventory in a timely manner.

D. Through media advertisements and the establishment of physical showrooms, the Company has been able to showcase its achievements in manufacturing technology in recent years and has developed a wide range of high quality basins, custom-made bath cabinets and technological bath products to boost consumers' desire to purchase Caesar sanitary ware products and stimulate the growth of sales revenue.

E. In response to the post-pandemic era, innovative technologies are being applied to the realm of daily life, leading to the development of a series of new anti-pandemic products. Additionally, to highlight the differentiated value of the products, an integration of online and offline channels has been undertaken. Caesar online shop aimed at seizing opportunities in the online bathroom market. Innovative research and development have led to the creation of the "Plasma Antimicrobial Kitchen Faucet" product, bringing convenience and improvement to consumers' lives.

3. Future growth strategy for the Company

The Company has been developing its production, sales and research and development capabilities in a stable and sound manner under the important premise of risk control. Vietnam is a member of the non-tariff organization of the Association of Southeast Asian Nations (ASEAN) and has actively signed economic cooperation agreements with other countries around the world. The ASEAN Free Trade Area has gradually entered into zero tariff since 2014.

We will continue to expand into the Southeast Asian market. Currently, we have local agents in Cambodia, the Philippines and Malaysia to operate our brand business, and we will continue to develop agents in Singapore, Indonesia and Myanmar, and we are planning to expand our OEM business in Europe and the U.S., so that we can develop our brand and OEM business in a dual way to gain a larger market share.

The new plasma antimicrobial kitchen faucet product is set to expand beyond the Taiwanese and Vietnamese markets, enhancing global marketing efforts and establishing new distribution channels. With strong growth potential, its standalone sales are expected to surpass the company's existing water outlet products, making it a key driver of future growth.

As social housing continues to expand and policies promote its development, the company is deepening its presence in the integrated bathroom solutions and same-floor drainage construction sectors. By actively securing projects in these areas, it will directly boost sales of its bathroom equipment, becoming one of the key growth drivers for operations in 2025.

4. The impact of the external competitive environment, regulatory environment and macroeconomic conditions

Amid global consumer spending contractions, Vietnam's economy, as a major manufacturing hub, has been adversely affected. The intensification of Vietnam's anti-corruption campaign has further stalled public investments, bringing negative impacts to the country's economy. In 2024, the real estate market collapse continued to weigh on the company's operations. However, the company remains optimistic that Vietnam's market conditions are gradually normalizing and may show improvement in the second half of 2025. According to official data, Vietnam's GDP grew by 7.09% in 2024 compared to 2023. Looking ahead to 2025, the Vietnamese government has raised its growth target from the previously projected 6.5%–7% to at least 8%.

Observing the overall environment in Taiwan, our company has positioned itself in the market for new construction projects and public works, with market benefits gradually manifesting. In fiscal year 2024, we completed our second ESG report and also concluded carbon footprint assessments for our Taiwan and Vietnam subsidiaries for fiscal year 2023, using this as a foundation to continue implementing various initiatives in environmental protection (E), social responsibility (S), and corporate governance (G).

In view of the increasingly fierce competition in the bathroom industry, enterprises that fail to keep up with the changes of the times will certainly face elimination. Therefore, the company will always respond to changes in the environment, laws and regulations, and the overall economy by pursuing more rapid response capabilities, strengthening the development of high-value products, improving product quality, reducing competition from inferior products at reduced prices, and deepening customers' trust in the brand image so that Caesar will become a sustainable enterprise, and strive to achieve a sustainable business in 2025.

Finally, we would like to thank our shareholders once again for their support and encouragement to Sanitar Co., Ltd. and send our best wishes.

Best wishes

Good health, all the best

Chairman HSIAO, CHUN-HSIANG

II. Corporate Governance Report

1. Information on Directors, Supervisors, President, Vice President, General Directors, and Supervisors of Various Departments and Braches

(1) Directors and Supervisors

1. Information of Directors and Supervisors

April 1, 2025

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background)	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Chairman	ROC	HSIAO, CHUN HSIANG	Male 61~70 years old	May 29, 2024	3 years	June 5, 1989	5,013,581	6.91	5,013,581	6.91	1,154,069	1.59	0	0	Bachelor of Business Administration, Tunghai University	Chairman of the Board, legal representative of Vietnam Caesar Sanitary Wares Joint Stock Company Chairman of the Board, legal representative of Kaisheng Sanitary Ware Co., Ltd. Representative Director of the Board of Slide Mei Yao International Co., Ltd.	Director	TSAI, MING HSI	younger brother-in-low	No
Director	ROC	TSAI, MING HSI	Male 51~60 years old	May 29, 2024	3 years	June 17, 2015	1,573,195	2.17	1,573,195	2.17	292,067	0.40	0	0	Master of Science in Applied Statistics, Fu Jen Catholic University Senior Manager of CTBC BANK Adjunct Instructor of Economics Dept., National Central University	Not Applicable	Chair-man	HSIAO, CHUN HSIANG	elder brother-in-low	No

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background)	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Director	ROC	CHANG, YI HSIN	Male 51~60 years old	May 29, 2024	3 years	May 29, 2024	1,280,000	1.76	1,730,000	2.38	0	0	0	0	Associate Bachelor of Safety, Health and Environmental Engineering Dept., National United University (formerly National United College of Business and Technology) Assistant Factory Manager of Zhang-Hsin Ceramic Co., Ltd.	Director, legal representative of Vietnam Caesar Sanitary Wares Joint Stock Company Factory Manager of Vietnam Caesar Sanitary Wares Joint Stock Company	No	No	No	No
Director	ROC	LIN, KUO HUA	Male 71~80 years old	May 29, 2024	3 years	June 30, 2007	2,574,574	3.55	2,574,574	3.55	685,409	0.94	0	0	Doctor of Philosophy, East China University of Political Science and Law. Master of Science, Chinese Culture University	General Manager, Archie Industrial (Shanghai) Co., Ltd.	No	No	No	No
Independent Director	ROC	HO, JENG WEI	Male 41~50 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	Master of Accounting and Information Technology, National Chung Cheng University CPA, Dayar CPA Firm	CPA, Qian Sheng Accounting Firm	No	No	No	No

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background)	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Independent Director	ROC	CHENG, SHENG IN	Female 51~60 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	MBA, University of Southern California Deputy general manager of TAIWAN SECOM CO., LTD. Special Assistant to the chairman of KONGLIN GROUP	Independent Director of LEO SYSTEMS, INC. Independent Director of WELGENE BIOTECH CO., LTD. Independent Director of NEWS WORLD WU MANUFACTURING CO., LTD. Director of Silicon Strong Co., Ltd	No	No	No	No

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background)	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Independent Director	ROC	LIN, JING	Male 51~60 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	Doctor of UFR 06 - Gestion & économie d'entreprise, Université Paris I – PanthéonSorbonne Chairman of Bank Taiwan SCURITIES Chairman of MIRAE ASSET Global Investment Chairman of TAIYEN BIOTECH CO., LTD. Full-time Associate Professor, Dept. of Business Administration, National Taipei University Part-time Associate Professor, Dept. of Economics, National Chengchi University Full-time Associate Professor, Dept. of International Business, Tamkang University	Full-time Professor, Graduate Institute of International Business, National Taipei University Independent Director of LEATEC FINE CERAMICS Co., Ltd.	No	No	No	No
Independent Director	ROC	CHEN, HSIEN CHIEN	Male 61~70 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	Bachelor of Law, Chinese Culture University	Solicitor, Hong Lu Law Firm	No	No	No	No

Note: As of the printing date of the annual report, none of the above-mentioned persons have been terminated.

2. The major shareholders of corporate shareholders.

None

3. The major shareholders of the corporate shareholders of which the major shareholders are corporations.

None

4. The professional qualifications of the Directors and the Supervisors, and the Diversity Policy and the Independence of the Board of Directors.

(1) Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors:

April 1, 2025

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
HSIAO, CHUN HSIANG	Bachelor of International Trade and Business Administration, Tunghai University, specializing in business management and practice in the sanitary ware industry, operation and leadership strategies of multinational groups, and business planning for investment subsidiaries. Mr. HSIAO, CHUN-HSIANG has both practical experience, strategic management, leadership and academic ability, focusing on the operation and management of the sanitary equipment industry for more than 35 years, and has served as the general manager and current chairperson of the board of directors of Caesar Sanitary Ware's subsidiaries (including the Company and its subsidiaries), with practical capabilities in financial accounting, business, marketing and operation planning, operation and management related to the sanitary ware industry. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	1. A relative within the second degree of kinship of a director of the company. 2. A nature-person shareholder who is one of the top ten shareholders of the company. 3. A relative with the second degree of kinship of a nature-person shareholder who is one of the top ten shareholders of the company. 4. The rest have been verified in accordance with the independence requirements listed in the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
CHANG, YI HSIN	Associate bachelor of Environmental Engineering, National United University, and an assistant factory manager of Zhang-Hsin Ceramic Co., Ltd., specializing in manufacturing R&D technology in the ceramic industry. Mr. CHANG, YI-HSIN has been focused on the manufacturing and R&D of sanitary equipment and the management of the sanitary ware industry for over 25 years. He has previously served as the factory manager of Vietnam Caesar Sanitary Wares Joint Stock Company, and is currently the director, as well as a board member of Sanitar Co., Ltd. and the legal representative of Vietnam Caesar Sanitary Wares Joint Stock Company. He is capable of providing timely operational management opinions to the company's Board of Directors and requesting the management team to develop operational strategies for execution. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	1. A nature-person shareholder who is one of the top ten shareholders of the company. 2. A relative with the second degree of kinship of a nature-person shareholder who is one of the top ten shareholders of the company. 3. The rest have been verified in accordance with the independence requirements listed in the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0
TSAI, MING HSI	Master of Science in Applied Statistics, Fu Jen Catholic University, specializing in corporate finance practice. Mr. TSAI, MING-HSI was an associate of the International Business Group, Institutional Banking of CTBC, a supervisor of Meiyao International Co., Ltd., an adjunct instructor of Economics Department of National Central University, and is a director of the Company currently, with the ability of operation management, corporate finance and financial analysis. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	1. A relative within the second degree of kinship of a director of the company. 2. A nature-person shareholder who is one of the top ten shareholders of the company. 3. A relative with the second degree of kinship of a nature-person shareholder who is one of the top ten shareholders of the company. 4. The rest have been verified in accordance with the independence requirements listed in the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
LIN, KUO HUA	Doctor of Philosophy, East China University of Political Science and Law, and a general manager of Archie Industrial (Shanghai) Co., Ltd., specializing in legal related knowledge and business management. Mr. LIN, KUO-HUA has been a member of the Board of Directors of the Company for over 15 years and is able to provide timely operational management opinions to the company's Board of Directors and request the management team to develop operational strategies for execution. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	1. A nature-person shareholder who is one of the top ten shareholders of the company. 2. The rest have been verified in accordance with the independence requirements listed in the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0
HO, JENG WEI	Master of Accounting and Information Technology, National Chung Cheng University, passed the CPA examination and obtained the professional CPA license, served as a manager of Deloitte Taiwan Accounting Firm, a CPA of Daryar CPA Firm, and is a CPA of Qian Sheng Accounting Firm currently. Mr. HO, JENG-WEI has a professional degree in accounting, and his analytical and management capabilities in the fields of corporate governance and financial accounting will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person himself, his spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	0

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
CHENG, SHENG IN	MBA of University of Southern California, obtained the professional CPA license, served as a supervisor of Trade-Van Information Services Co., a supervisor of the accounting office of Nanshan Life Insurance Co., Ltd., a deputy general manager of TAIWAN SECOM CO., LTD., and a special assistant to the chairman of KONGLIN GROUP. Ms. CHENG, SHENG-IN is professional in accounting and experienced in the industry, and her ability in corporate governance, financial accounting analysis, operation and management will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person herself, her spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	3
LIN, JING	Doctor of UFR 06 - Gestion & économie d'entreprise, Université Paris I – PanthéonSorbonne, was a full-time associate professor at the Department of International Business of Tamkang University and the Department of Business Administration of National Taipei University, part-time associate professor at the Department of Economics of National Chengchi University, chairman of Bank Taiwan SECURITIES , chairman of MIRAE ASSET Global Investment, chairman of TAIYEN BIOTECH CO., LTD., and is currently a full-time professor at the Graduate Institute of International Business of National Taipei University. Mr. LIN, JING has extensive academic and puts the theory into practice. He is also good at management experience, and his ability in the fields of corporate governance and operation management will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person himself, his spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	1

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
CHEN, HSIEN CHIEN	Bachelor of Law of Chinese Culture University, passed the bar examination and obtained a professional lawyer license, served as a civil notary under the Taipei District Court and the New Taipei District Court, and is a solicitor of Hong Lu Law Firm currently. Mr. CHEN, HSIEN-CHIEN has legal background and practical experience, and will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee in terms of corporate governance and compliance with laws and regulations. Without any of the circumstances under the subparagraphs of Article 30 of the Company Act.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person himself, his spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	0

Note 1: Professional Qualifications and Experience: To describe the professional qualifications and experience of directors and supervisors individually, and if they are members of the Audit Committee and have accounting or financial expertise, they should state their accounting or financial background and work experience, and indicate whether there are no circumstances under the subparagraphs of Article 30 of the Company Act.

Note 2: Independent directors shall state the circumstances in which independence is satisfied, including but not limited to whether the people themselves, their spouses, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; the people themselves, their spouses, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company; and do not serve as a director, supervisor or employee of the Company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and do not provide business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.

(2) Diversity Policy and Independence of the Board of Directors:

A. Diversities of the Board of Directors:

a. Please refer to pp.42-44 of the Annual Report for the information about the policy, targets and the achievement of the diversity of the Board of Directors.

B. Independence of the Board of Directors:

a. Please refer to pp.42-44 of the Annual Report for an explanation of the number and proportion of independent directors of the Company and the independence of the Board of Directors.

b. The Board of Directors of the Company complies with the provisions of Article 26-3 of the Securities and Exchange Act, Items 3 and 4. Please refer to pp.5-8 of the Annual Report for the information about the relationships between the Directors', their spouses or relatives within the second degree of kinship.

(2) Information on the President, Vice President, General Director, and Supervisors of Various Departments and Branches

April 1st, 2025

Title	Nationality /Country of Origin	Name	Gender	On-board Date	Shares held		Shares held by the spouse and minor children		Shares held in the name of others		Main work experience (educational background)	Concurrent positions currently served as at the Company and other companies	Managerial officer who are the spouses or relatives within in the second degree of kinship			Note
					Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relati-on	
General Manager	ROC	CHEN, WEI CHIH	Male	Jan. 1, 2016	95,489	0.13	100,000	0.14	1,484,000	2.04	Deputy General Manager of Vietnam Caesar Sanitary Wares Joint Stock Company (subsidiary) Bachelor of Physics, Tamkang University	General Manager of Vietnam Caesar Sanitary Wares Joint Stock Company (subsidiary) Director, legal representative of Kaisheng Sanitary Ware Co., Ltd. Director of Bodok Trading Co., Ltd.	No	No	No	No
Deputy General Manager of Business Management Division	ROC	LIU, MING CHIA	Male	July 1, 2021	40,000	0.06	0	0	0	0	Assistant to the COO of Sanitar Co., Ltd. Bachelor of Business Administration, Colorado State University	None	No	No	No	No
Deputy General Manager of Finance Management Division Senior Corporate Governance Officer	ROC	CHEN, YU CHUAN	Female	March 18, 2015 Nov. 8, 2019	143,222	0.20	0	0	0	0	Manager of Finance Department of Sanitar Co., Ltd. Executive Master of Business, National Chengchi University	None	No	No	No	No
Deputy General Manager of Administration Division	ROC	HUANG, JUNG JEN	Male	Jan. 1, 2024	0	0	0	0	0	0	PhD of Business Administration, College of Business, Chung Yuan Christina University Executive Assistant to the President and former Senior Director of Self-operated Retain Brand Division, CLEVO CO. Former Head of Operations Department, E-Life Corporation	None	No	No	No	No

Title	Nationality /Country of Origin	Name	Gender	On-board Date	Shares held: Number of Shares	Shares held: Share-holding ratio	Shares held by the spouse and minor children: Number of Shares	Shares held by the spouse and minor children: Share-holding ratio	Shares held in the name of others: Number of Shares	Shares held in the name of others: Share-holding ratio	Main work experience (educational background)	Concurrent positions currently served as at the Company and other companies	Managerial officer who are the spouses or relatives within in the second degree of kinship: Title	Managerial officer who are the spouses or relatives within in the second degree of kinship: Name	Managerial officer who are the spouses or relatives within in the second degree of kinship: Relati-on	Note
Manger of Financial Dept. Principal Accounting Officer	ROC	CHEN, CHAO CHIH	Male	Jan. 1, 2024	0	0	0	0	0	0	Bachelor of Accounting and Information Systems, Chang Jung Christian University Manager of SNSPLUS, INC. Assistant Manger of Lion Travel Service Co., Ltd.	None	No	No	No	No
Chief Internal Auditor	ROC	LO, HWEI LING	Female	Aug. 5, 2021	0	0	0	0	0	0	Internal Auditor of Plastron Precision Co., Ltd. Internal Auditor of Taiwan Chelic Co., Ltd.	Chief Internal Auditor of Vietnam Caesar Sanitary Wares Joint Stock Company (subsidiary)	No	No	No	No

2. Remuneration of Directors, Supervisors, President, and Vice Presidents in the Most Recent Fiscal Year

(1) Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Remuneration of Directors								Total amount of the four items A, B, C, and D and its percentage of the net profit after tax		Relevant Compensation for Currently Being an Employee								Total amount of the seven items A, B, C, D, E, F and G and its percentage of the net profit after tax		Remuneration from reinvested companies or the parent company other than subsidiaries
		Remuneration (A)		Retirement Pension (B) (Note)		Director's Remuneration (C)		Business Execution Fee (D)				Salary, Bonus, and Special Allowance (E)		Retirement Pension (F) (Note)		Employee Compensation (G)						
		The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The Company		All companies in the consolidated financial report		The Company	All companies in the consolidated financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	HSIAO, CHUN HSIANG	3,904	4,616	0	0	1,862	1,862	80	80	5,846 1.85	6,558 2.08	0	0	0	0	0	0	0	0	5,846 1.85	6,558 2.08	No
Director	TSAI, MING HSI	240	240	0	0	931	931	70	70	1,241 0.39	1,241 0.39	0	0	0	0	0	0	0	0	1,241 0.39	1,241 0.39	No
Director	CHANG, YI HSIN	140	140	0	0	543	543	60	60	743 0.24	743 0.24	390	908	63	63	11	0	11	0	1,207 0.38	1,725 0.55	No
Director	CHANG, YUNG NAN	100	100	0	0	388	388	20	20	508 0.16	508 0.16	0	0	0	0	0	0	0	0	508 0.16	508 0.16	No
Director	LIN, KUO HUA	240	240	0	0	931	931	80	80	1,251 0.40	1,251 0.40	0	0	0	0	0	0	0	0	1,251 0.40	1,251 0.40	No
Independent Director	CHENG, SHENG IN	240	240	0	0	931	931	80	80	1,251 0.40	1,251 0.40	0	0	0	0	0	0	0	0	1,251 0.40	1,251 0.40	No
Independent Director	HO, JENG WEI	240	240	0	0	931	931	80	80	1,251 0.40	1,251 0.40	0	0	0	0	0	0	0	0	1,251 0.40	1,251 0.40	No
Independent Director	LIN, JING	240	240	0	0	931	931	80	80	1,251 0.40	1,251 0.40	0	0	0	0	0	0	0	0	1,251 0.40	1,251 0.40	No
Independent Director	CHEN, HSIEN CHIEN	240	240	0	0	931	931	70	70	1,241 0.39	1,241 0.39	0	0	0	0	0	0	0	0	1,241 0.39	1,241 0.39	No

1. Please describe the policy, system, standard and structure for the remuneration of independent directors, and the relevance to the amount of remuneration according to the responsibilities, risks, time commitment and other factors: please refer to pp.19-26 of this annual report.
2. Except as disclosed in the above table, the remuneration received by the directors of the Company in the most recent year for providing services (such as serving as a consultant to non-employees of the parent company / all companies listed in the financial report / reinvestment enterprises, etc.): None

Note: This is the amount provided for retirement pension expense.

(2) Remuneration of the General Manager and Deputy General Managers.

Unit: NT$ thousands

Title	Name	Salary (A)		Retirement Pension (B) (Note)		Bonus and Special Allowance (C)		Employee Compensation Amount (D)				Total amount of the four items A, B, C, and D and its percentage of the net profit after tax		Remuneration from reinvested companies or the parent company other than subsidiaries
		The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	CHEN, WEI-CHIH	1,873	2,811	108	108	2,185	2,264	499	0	499	0	4,665 1.48	5,682 1.80	No
Deputy General Manager	HUANG, JUNG-JEN	1,741	1,741	106	106	405	405	507	0	507	0	2,759 0.88	2,759 0.88	No
Deputy General Manager	CHEN, YU-CHUAN	1,643	1,643	102	102	442	442	445	0	445	0	2,632 0.84	2,632 0.84	No
Deputy General Manager	LIU, MING-CHIA	1,546	1,546	100	100	1,530	1,530	652	0	652	0	3,828 1.21	3,828 1.21	No

Note: This is the amount provided for retirement pension expense.

(3) Names of the Managers and the Distribution Status of the Employee Compensation.

Unit: NT$ thousands; March 4th, 2025

	Title	Name	Stock Amount	Cash Amount	Total	The percentage of the total in the net profit after tax(%)
Managers	General Manager	CHEN, WEI-CHIH	0	2,361	2,361	0.75
	Deputy General Manager	HUANG, JUNG-JEN				
	Deputy General Manager	CHEN, YU-CHUAN				
	Deputy General Manager	LIU, MING-CHIA				
	Principal Accounting Officer	CHEN, CHAO-CHIH				

Note: The applicable scope of managerial officers, referred to the scope of managers mentioned in the certificate Tai-Tsai-Cheng III No. 092001301 issued by the Securities and Futures Commission, Ministry of Finance on March 27, 2003.

F. General Manager and persons in equivalent level.
G. Deputy General Manager and persons in equivalent level.
H. Assistant Manager and persons in equivalent level.
I. Chief of Financial Department.
J. Chief of Accounting Department.
K. Other persons who are authorize to manage and sign for the company.

(4) Comparison of the ratio of total remuneration by the Company and all companies included in the consolidated financial statements for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years, and description of the relationship among the policy, standard and combination for remuneration payment, remuneration determining process, operating performance and future risk.

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income after tax on the parent company only or individual financial statements.

Fiscal year / Title	2023		2024	
	The ratio of total remuneration paid by the Company to the net income after tax on the parent company only or individual financial statements (%)	The ratio of total remuneration by all companies included in the consolidated financial statements to the net income after tax on the parent company only or individual financial statements (%)	The ratio of total remuneration paid by the Company to the net income after tax on the parent company only or individual financial statements (%)	The ratio of total remuneration by all companies included in the consolidated financial statements to the net income after tax on the parent company only or individual financial statements (%)
Director	5.23	5.52	4.63	4.85
General Manager and Deputy General Manager	5.45	5.87	4.41	4.73

B. The policies, standards, and portfolios for the payment of remuneration.

a. Directors' remuneration

The Company may pay remuneration to the directors for the performance of their duties, regardless of operating profit or loss, in accordance with the Company's Articles of Incorporation, which authorize the Board of Directors to determine the value of their participation in and contribution to the Company's operations, taking into account the market rate in the industry. In addition, if the Company has a pre-tax profit for the year, the remuneration shall be distributed in accordance with the Company's Articles of Incorporation. The remuneration package for directors consists of salary, remuneration to directors and attendance fees.

b. Remuneration for General Manager and Deputy General Manager

The President and Vice President shall be appointed and compensated in accordance with the Company's Articles of Incorporation and the Board of Directors' resolution. The compensation standards for managers are based on their individual performance, contribution to work, annual operating results, hard work, and compliance with company policies, as well as on market standards in the industry. The manager's compensation package consists of salary, bonus and employee compensation.

C. Procedures for fixing remuneration.

The remuneration policies and systems of the Company's directors are evaluated by the Company's Nomination Committee and Remuneration Committee in accordance with the Company's "Performance Evaluation Method", and recommendations are made to the Board of Directors for approval by the Board of Directors. The Company's Nomination Committee and Compensation Committee also regularly review the performance and compensation of directors.

D. Correlation with operating performance and future risks.

The remuneration of the Company's directors and managers shall be determined with reference to market standards in the industry, taking into account individual performance, contribution to work and the Company's operating results, and therefore the Company's operating results and changes in market conditions are related to remuneration. The content and amount of compensation for directors and managers will not deviate from financial performance and will not induce directors and managers to engage in behavior that exceeds the Company's risk appetite in pursuit of compensation.

The correlation between performance evaluation results and compensation for directors and managers is as follows.

(1) Performance Evaluation Method

Target	Criteria	Description
Directors	1. The Company has formulated the "Board of Directors' Performance Evaluation Method", and all directors will complete self-assessment questionnaire for internal evaluation at the end of the year individually.	The self-assessment questionnaire covers the following six major aspects, with a total of 23 indicators. A. Mastery of the company's objectives and tasks B. Awareness of Directors' Duties C. Degree of participation in the company's operations D. Internal Relationship Management and Communication E. Professional and Continuing Education of Directors F. Internal control
	2. The Company has established a Nomination Committee, which shall be evaluated in accordance with the "Nomination Committee Organizational Procedures".	At the end of the year, the Nomination Committee will evaluate the performance of each director and report to the Board of Directors in accordance with the "Nomination Committee Organizational Procedures".
	3. The Company has formulated the "Board of Directors' Performance Evaluation Method", which has established that the Board of Directors shall be evaluated from external independent entities or external experts and scholars at least once every three years. The company has commissioned Taiwan Corporate Governance Association (TCGA) to carry out an external performance evaluation project of the Board of Directors in 2022, with a period from October 1, 2021 to September 30, 2022.	The eight aspects of the inspection by external professional independent organizations are as follows: A. Composition of the board of directors. B. Guidance from the board of directors. C. Authorization by the board of directors. D. Supervision by the board of directors. E. Communication of the board of directors. F. Internal control and risk management. G. Self-discipline of the board of directors. H. Others (such as board meetings, support systems, etc.).
Managerial Officers	1. Annual operating results of the Company	The annual operating results of the company will be assessed by the president.
	2. Personal annual performance	The manager's performance will be evaluated by the manager's supervisor in accordance with the annual work performance, and the evaluation items are as follows. A. Mastery of the company's objectives and tasks B. Leadership C. Judgment D. Manager's professional and continuing education

(2) Performance Evaluation Results

A. Directors (1 to 5 levels, with 5 being the best)

Names of the Directors / Items and the score of self-evaluation	HSIAO, CHUN HSIANG	TSAI, MING HSI	CHANG, YI HSIN	LIN, KUO HUA	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. Mastery of the company's objectives and tasks.	5	5	5	5	4.67	5	5	5	**4.96**
2. Awareness of directors' responsibilities.	5	5	5	5	5	5	5	5	**5.00**
3. Degree of participation in the company's operations.	5	4.88	5	5	4.88	5	5	5	**4.97**
4. Management and negotiation of internal relationship.	5	5	5	5	5	5	5	5	**5.00**
5.Professionalism and continuing education of directors.	5	5	5	5	5	5	5	5	**5.00**
6. Internal control.	5	5	5	5	5	5	5	5	**5.00**

B. Managerial Officers(1 to 5 levels, with 5 being the best)

Name and Title / Items and the score of self-evaluation	General Manager CHEN, WEI-CHIH	Deputy General Manager LIU, MING-CHIA	Deputy General Manager CHEN, YU-CHUAN	Deputy General Manager HUANG, JUNG-JEN	Principal Accounting Officer CHEN, CHAO-CHIH	Average Score
1. Mastery of the company's objectives and tasks.	4.6	4.6	4.2	4.5	4.4	**4.46**
2. Leadership.	4.6	4.5	4.5	4.6	4.2	**4.48**
3. Judgment	4.4	4.3	4.3	4.4	4.2	**4.32**
4. Professionalism and continuing education of managerial officers.	4.4	4.2	4.7	4.5	4.5	**4.46**

C. External Performance Evaluation

The Company commissioned the external evaluation agency, the "Taiwan Corporate Governance Association," to conduct the external performance evaluation of the Board of Directors for the year 2022. This external professional organization is independent, as it is neither a related party nor has any business relationships with the Company. The results of the external performance evaluation have been submitted to the Board of Directors on December 27, 2022. The relevant information regarding the execution of the external expert evaluation is as follows:

(A) Execution period: September 19, 2022 to November 14, 2022.

(B) Evaluation period: October 1, 2021 to September 30, 2022.

(C) Evaluation methods: data review, self-assessment questionnaires, on-site interviews, etc.

(D) The assessment team of the association is composed of four independent and experienced executive committee members and specialists. It is based on the eight aspects of the inspection (composition of the board of directors, guidance of the board of directors, authorization of the board of directors, supervision of the board of directors, communication of the board of directors, internal control and risk management, self-discipline of the board of directors, and other aspects such as board meetings, support systems, etc.). They review the open-ended questionnaire filled out by the Company, provide various materials (minutes of board meetings held during the assessment period, minutes of various functional committee meetings), and public information. They also conduct on-site interviews with relevant members. After reviewing the data and conducting on-site interviews to observe communication and interaction, the assessment team collects and organizes the results to propose overall evaluations and recommendations for subsequent planning, establishment, and enhancement of board functions.

Overall assessment of the association:

a. The company attaches great importance to the diversity of the composition of the board of directors, including factors such as gender, age and professionalism. The proportion of independent directors is 50%, and there is one female director. The selection of directors not only considers the requirements of corporate governance, but also carefully evaluates the candidates according to the needs of the company's development strategy.

b. The chairman of the company has an enlightened leadership style, and various board meeting proposals can be fully discussed and communicated before and after the meeting, forming a good board meeting culture. The board of directors also gives guidance and suggestions to senior managers regarding the important strategies of the company's development, which shows the intention of promoting corporate governance.

c. The company has established a nomination committee that is superior to laws and regulations. Its functions are to formulate standards for the professional knowledge, technology, experience, gender, and other diverse backgrounds and independence required by board members and senior managers, and to review the performance goals of the board of directors and directors. The implementation of the training plan is worthy of recognition.

d. The company pays attention to talent cultivation and inheritance, formulates succession plans and senior executive succession training methods, reserves high-level talents through internal rotation and overseas training programs, and diversified incentive programs to lay the foundation for the company's sustainable development.

(3) Relevance and reasonableness of performance evaluation results and compensation.

A. Board of Directors

a. Compensation: Compensation is determined based on the level of participation and contribution to the Company's operations, while also considering industry market standards. In addition to receiving a fixed monthly salary, the Chairman of the Board is also awarded a performance bonus, based on 0.5% of the pre-tax net profit from the annual consolidated financial statements. According to performance evaluations, all of the Company's directors have effectively executed their respective responsibilities, and their compensation is considered reasonable.

b. Remuneration**:** In accordance with the Company's Articles of Incorporation, if the Company achieves pre-tax net profit in a given year, no more than 2% of that profit shall be allocated for the remuneration of the directors. For the fiscal year 2024, director remuneration was allocated at 2%, totaling NT$8,381 thousand. The individual remuneration for each director is distributed based on their respective income base, with higher allocations for those who have performed exceptionally or made special contributions to the Company's business. Except for the Chairman of the Board, who receives an allocation equivalent to two income bases due to his special contributions in management, the remaining directors each receive one income base.

c. Business Execution Fee: Attendance fees are granted based on the actual number of board meetings attended. The average attendance rate for the Board of Directors for the year 2024 was 96.88%.

B. Managerial Officers

a. Salary: Salaries are determined based on factors such as length of service, contributions, and level of responsibility, while also taking into account industry market standards. All of our managers possess experience in management, business, and finance, and meet certain performance standards across various indicators, making their salaries reasonable.

b. Bonuses: The main bonuses consist of the year-end bonus and the performance bonus. The General Manager allocates the performance bonus based on 0.5% of the pre-tax net profit from the annual consolidated financial statements. Managers, excluding the General Manager, receive the year-end bonus based on two months' salary, with adjustments made according to the company's operational performance for the year. Both the company's operational performance and individual performance are linked to the managers' bonuses.

c. Employee’s compensation: According to the Company's Articles of Incorporation, if the Company achieves pre-tax net profit in a given year, no less than 2% of that profit shall be allocated for employee compensation. The amount of compensation for individual managers will be determined based on their annual performance. For the year 2024, employee compensation was allocated at 4.75%, totaling NT$19,905 thousand. For fiscal years 2024 and 2023, the compensation for managers amounted to 0.75% and 0.74% of the after-tax net profit, respectively, which remains within a reasonable range.

3. Implementation of Corporate Governance

(1) Board of Directors

The Board of Directors convened 8(A) meetings in 2024. The attendances of directors were as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Chairman	HSIAO, CHUN HSIANG	8	0	100%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024.
Director	TSAI, MING HSI	7	0	87.5%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024
Director	CHANG, YI HSIN	6	0	100%	New office assumed at the General Shareholders' Meeting held on May 29, 2024, and should attend 6 meetings in 2024.
Director	CHANG, YUNG NAN	2	0	100%	Resignation of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 2 meetings in 2024.
Director	LIN, KUO HUA	8	0	100%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024
Independent Director	HO, JENG WEI	8	0	100%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024
Independent Director	CHENG, SHENG IN	8	0	100%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024
Independent Director	LIN, JING	8	0	100%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024
Independent Director	CHEN, HSIEN CHIEN	7	0	87.5%	Renewal of office at the General Shareholders' Meeting held on May 29, 2024

Other mentionable items:

1. For matters specified in Article 14-3 of the Securities and Exchange Act or the objections and qualified opinions by other independent directors to the Board resolutions that have been recorded or declared in writing, the dates of the Board meetings, sessions, contents of proposal, opinions of all independent directors, and the company 's disposal should be stated.

Session number and date of the Board of Directors Meetings	Motions and resolutions	Article 14-3 of the Securities and Exchange Act	Objections or qualified opinions of independent directors
The seventeenth meeting of the 15th Board of Directors on 2024.2.26	1. Revision of the provisions of the "The Board of Directors' Remuneration Rules".	V	
	2. Nominated list of directors and independent directors.	V	
	3. Revision of the provisions of "Manager's Remuneration Rules".	V	
	4. 2023 remuneration distribution for the employees, and directors.	V	
	5. Review of the 2023 remuneration payment of the directors.	V	
	6. Review of the 2023 remuneration payment for the employees.	V	

	7. Review of the 2023 operating bonus payment.	V	
	8. 2023 business report and financial report.	V	
	9. 2023 surplus distribution.	V	
	10. Revision of the provisions of "Rules of Procedure for Board of Directors".	V	
	11. Revision of the provisions of the "Rules of Procedure for Shareholders Meetings".	V	
	12. Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2023.	V	
	13. Evaluation of CPA's independency and eligibility.	V	
	14. Discussion on the Company's and its subsidiaries' Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises.	V	
	15. Revision of the provisions of "Internal Control System".	V	
	16. Discussion on the material transaction between the Company and its shareholders for 2023.	V	
	17. Re-election of directors.	V	
	18. Formulation of the nomination period, places, and receiving point of the nominees of directors and independent directors.	V	
	19. Discussion to the lifting of the non-competition restriction for new directors.	V	
	20. Convention of 2024 shareholders' general meeting.	V	
	21. Discussion on the material transaction between the Company and its shareholders for 2024.	V	
	Opinions of independent directors: None		
	The Company's response towards the opinions of the independent directors: None		
	Resolution: Motion 2: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 5: Except for Director HSIAO, CHUN-HSIANG, Director CHANG, YUNG NAN, Director TSAI, MING-HSI, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 7: Except for Director HSIAO, CHUN-HSIANG, whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.		
The eighteenth meeting of the 15th Board of	1. Endorsement guarantee for POLARC CO., LTD. (subsidiary).	V	
	2. Financial institutions' credit limit.	V	
	3. Review of the financial report and the consolidated financial statement of Q1, 2024.	V	

Directors on 2024.5.8	4. Acquisition and Disposal of Securities.	V	
	5. Revision of the provisions of "Rules Governing Financial and Business Matters between the Company and its Affiliated Enterprises."	V	
	6. Revision of the provisions of "Procedures for the Prevention of Insider Trading".	V	
	7. Property Lease of Kaohsiung Warehouse.	V	
	Opinions of independent directors: None		
	The Company's response towards the opinions of the independent directors: None		
	Resolution: As consulted by the Chairman, all proposals were approved by the directors present without objection.		
The first meeting of the 16th Board of Directors on 2024.5.29	1. Re-election of the chairman.	V	
	Opinions of independent directors: None		
	The Company's response towards the opinions of the independent directors: None		
	Resolution: Motion 1: The appointment of HSIAO, CHUN-HSIANG as a Chairman was approved by the directors present.		
The second meeting of the 16th Board of Directors on 2024.6.11	1. Establishment of the cash dividend distribution base date and cash dividend payment date for the year 2024.	V	
	2. Financial institutions' credit limit.	V	
	3. Revision the Company's Internal Control System.	V	
	4. Appointment of the Nomination Committee.	V	
	5. Appointment of the Remuneration Committee.	V	
	Opinions of independent directors: None		
	The Company's response towards the opinions of the independent directors: None		
	Resolution: Motion 4: Except for Director HSIAO, CHUN-HSIANG, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 5: Except for Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.		
The third meeting of the 16th Board of Directors on 2024.8.12	1. Review of the financial report and the consolidated financial statement of Q2, 2024.	V	
	2. Financial institutions' credit limit.	V	
	3. Revision of the provisions of "Internal Audit Practice Rules".	V	
	4. 2023 Sustainability Report.	V	
	5. Acquisition and Disposal of Securities.	V	

<table>
<tr><td rowspan="4"></td><td>6. Real estate transaction on COSMOS PLAZA in Sanchong Dist.</td><td>V</td><td></td></tr>
<tr><td colspan="3">Opinions of independent directors: None</td></tr>
<tr><td colspan="3">The Company’s response towards the opinions of the independent directors: None</td></tr>
<tr><td colspan="3">Resolution: As consulted by the Chairman, all proposals were approved by the directors present without objection.</td></tr>
<tr><td rowspan="6">The forth meeting of the 16th Board of Directors on 2024.9.2</td><td>1. Review of the new directors’ remuneration in 2024.</td><td>V</td><td></td></tr>
<tr><td>2. The first buyback of the Company's shares to be transferred to employees with managerial roles.</td><td>V</td><td></td></tr>
<tr><td>3. The first buyback of the Company's shares to be transferred to employees without managerial roles.</td><td>V</td><td></td></tr>
<tr><td colspan="3">Opinions of independent directors: None</td></tr>
<tr><td colspan="3">The Company’s response towards the opinions of the independent directors: None</td></tr>
<tr><td colspan="3">Resolution:
Motion 1: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman.
The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.</td></tr>
<tr><td rowspan="9">The fifth meeting of the 16th Board of Directors on 2024.11.6</td><td>1. Revision of the provisions of the “Charter of Audit Committee”.</td><td>V</td><td></td></tr>
<tr><td>2. Establishment of the Company's Sustainability Development Committee and the formulation of the “Charter of Sustainability Development Committee”.</td><td>V</td><td></td></tr>
<tr><td>3. Appointment of the Sustainability Committee.</td><td>V</td><td></td></tr>
<tr><td>4. Review of the financial report and the consolidated financial statement of Q3, 2024.</td><td>V</td><td></td></tr>
<tr><td>5. Acquisition and Disposal of Securities.</td><td>V</td><td></td></tr>
<tr><td>6. Organizational structure adjustment.</td><td>V</td><td></td></tr>
<tr><td colspan="3">Opinions of independent directors: None</td></tr>
<tr><td colspan="3">The Company’s response towards the opinions of the independent directors: None</td></tr>
<tr><td colspan="3">Resolution
Motion 3: Except for Director HSIAO, CHUN-HSIANG, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman.
The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.</td></tr>
<tr><td rowspan="5">The sixth meeting of the 16th Board of Directors on 2024.12.24</td><td>1. Review of the directors’ performance in 2024, also their performance targets and remuneration in 2025.</td><td>V</td><td></td></tr>
<tr><td>2. Review the status of the directors' continuing education in 2024 and the refresher programs in 2025.</td><td>V</td><td></td></tr>
<tr><td>3. Review of the managers’ performance in 2024, also their performance targets and remuneration in 2025.</td><td>V</td><td></td></tr>
<tr><td>4. Review of the 2024 year-end bonus distribution.</td><td>V</td><td></td></tr>
<tr><td>5. Revision of the Company’s Internal Control System.</td><td>V</td><td></td></tr>
</table>

	6. Revision of the provisions of the "Articles of Incorporation".	V	
	7. Revision of the provisions of the "Risk Management Policy and Procedures".	V	
	8. Formulation of the Company's 2025 annual operation plans and budgeting.	V	
	9. Formulation of the Company's 2025 audit plans.	V	
	10. Financial institutions' credit limit.	V	
	11. Organizational structure adjustment.	V	
	12. Acquisition and Disposal of Securities.	V	
	13. Property Lease of the Taichung Exhibition Center.	V	
	Motion 1: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.		

2. Recusals of directors due to conflicts of interests, the names of directors, contents of motion, reasons for the recusals of conflicts of interests, and the participation in the vote should be stated.

Names of Directors	Contents of Motion	Reasons for the Avoidance of Conflict of Interest	Participation in the Vote
HSIAO, CHUN-HSIANG, TSAI, MING-HSI , LIN, KUO-HUA, HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Nominated list of directors and independent directors.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG, CHANG, YUNG-NAN, TSAI, MING-HSI , LIN, KUO-HUA, HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Review of the remuneration plan for directors in 2023.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG	Review of the Management Bonus Plan for 2023.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG, HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Appointment of the Nomination Committee.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.

HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Appointment of the Remuneration Committee.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG, TSAI, MING-HSI , CHANG, YI-HSIN, LIN, KUO-HUA, HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Review of the new directors' remuneration in 2024.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG, HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Appointment of the Sustainability Committee.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG, CHANG, YUNG-NAN, TSAI, MING-HSI , LIN, KUO-HUA, HO, JENG-WEI, CHENG, SHENG-IN, LIN,JING, CHEN, HSIEN-CHIEN	Review of the directors' performance in 2024, also their performance targets and remuneration in 2025.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.

3. Disclosure the information and implementation status about self-evaluation of the Board of Directors, including the period, duration, range, methods and contents, etc.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once every year	From December 1, 2023 to November 30, 2024.	Performance Evaluation of the Board of Directors.	Internal self-evaluation by the Board of Directors.	1. The level of participation in the company operations. 2. The quality of decision-making of the Board of Directors. 3. The composition and structure of the Board of Directors. 4. The election and continuing education of directors. 5. Internal control.
Once every year	From December 1, 2021 to November 30, 2022.	Performance Evaluation of directors individually.	Self-assessment by directors.	1. Grasp of the company targets and missions. 2. Awareness of the director's responsibilities. 3. The level of participation in the company operations. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control.

Once every year	From December 1, 2023 to November 30, 2024.	Performance Evaluation of the Compensation Committee	Internal self-evaluation by the Compensation Committee	1. The level of participation in the company operations. 2. Awareness of the compensation committees' responsibilities. 3. The quality of decision-making of the compensation committee. 4. The composition of compensation committee and the selection of the members. 5. Internal control.
Once every year	From December 1, 2023 to November 30, 2024.	Performance Evaluation of the Nomination Committee	Internal self-evaluation by the Nomination Committee	1. The level of participation in the company operations. 2. Awareness of the nomination committees' responsibilities. 3. The quality of decision-making of the nomination committee. 4. The composition of nomination committee and the selection of the members. 5. Internal control.
Once every year	From December 1, 2023 to November 30, 2024.	Performance Evaluation of the Audit Committee	Internal self-evaluation by the Audit Committee	1. The level of participation in the company operations. 2. Awareness of the audit committees' responsibilities. 3. The quality of decision-making of the audit committee. 4. The composition of audit committee and the selection of the members. 5. Internal control.
Once every three years	From October 1, 2021 to September 30, 2022.	Performance Evaluation of the Board of Directors.	Evaluated by an external professional independent organization. (Taiwan Corporate Governance Association)	1. Composition of the board of directors. 2. Guidance from 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, etc.).

Note: The performance of self-assessment of the Board of Directors and functional committees for the year 2024 was evaluated as good. The overall situation is deemed to be operating effectively. The assessment results were reported to the Board of Directors on December 24, 2024. Please refer to pp.57-61 evaluation results.

4. Targets of enhanced functions of board of directors of the year and in the most recent year (e.g. establishing an audit committee, enhancing information transparency, etc.) and evaluation of implementation.
   (1) All important resolutions of the Board of Directors are announced and reported on the Market Observation Post System in accordance with the law, and are simultaneously disclosed on the Investor Zone of the Company's website to provide investors with relevant information through the Internet in order to protect shareholders' rights and interests. The disclosure of financial and corporate governance information is an important responsibility of the Company, and the Company faithfully fulfills its obligations in accordance with the regulations of the stock exchange and relevant laws and regulations.
   (2) In accordance with the revision of the sample template for “XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors” provided by TWSE, the board of directors passed the partial amendments to the Company's " Rules Governing the Scope of Powers of Independent Directors" on November 4, 2021. This revision aims to clarify the scope of duties for independent directors, further strengthening the corporate governance structure and enhancing the effectiveness of the board of directors.
   (3) In accordance with the revision of the sample template of “Rules for Performance Evaluation of Board of Directors” provided by TWSE, the board of directors passed the partial amendments to the Company's " Rules Governing the Scope of Powers of Independent Directors" on November 4, 2021. "Rules for Performance Evaluation of Board of Directors" and the board of directors passed the partial amendments to the Company's "Rules for Performance Evaluation of Board of Directors" on December 28, 2021. This revision aims to implement better corporate governance and enhance the functions of the Company’s board of directors and functional committees (Compensation Committee, Nomination Committee, Sustainability Development Committee, and Audit Committee). Performance targets have been established to improve the efficiency of board operations. Additionally, every three years, an external professional independent institution or a team of experts and scholars shall conduct an evaluation. In 2022, the Company entrusted an external evaluation organization (The Taiwan Corporate Governance Association) to perform the board performance evaluation. The evaluation results were favorable and were reported to the board on December 27, 2022, with the results disclosed on the Company’s investor relations section of the website.

(4) In accordance with the revision of the sample template for “XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” provided by TWSE, the board of directors passed the partial amendments to the Company's "Rules of Procedure for Shareholders Meetings" on February 26, 2024. The amendments were approved and became effective after being passed at the Company's annual general meeting on May 26, 2024.

(5) In accordance with the revision of the sample template for “XXX Co., Ltd. Rules of Procedure for Board of Directors” provided by TWSE, the board of directors passed the partial amendments to the Company's "Rules of Procedure for Board of Directors" on February 26, 2024. The amendments were presented at the annual general meeting on May 26, 2024. The Board's operations are governed by the "Rules of Procedure for Board of Directors" to implement corporate governance, strengthen supervisory functions, and enhance management mechanisms.

(6) The Company regularly arranges continuing education programs for its directors each year to continuously enrich their knowledge and maintain their core values, as well as their professional strengths and capabilities. Please refer to pp.105-106 for details on the directors’ continuing education in 2024.

(7) The Company completed the procurement of liability insurance for its directors and key personnel on June 1, 2024, to mitigate and diversify the risks of significant damage to the Company and its shareholders that may result from errors or omissions. This was reported to the Board of Directors on June 11, 2024.

(8) The Company’s Board of Directors approved the establishment of the Sustainability Development Committee on November 6, 2024, to implement environmental protection and social responsibility, while enhancing the functions and management mechanisms of the Board.

(9) In accordance with the Company Act and Articles 14-3 and 14-5 of the Securities and Exchange Act, all proposals that require prior approval by the Audit Committee before being submitted to the Board of Directors for resolution have been reviewed and approved by the Audit Committee and subsequently submitted to the Board for approval and execution. For the operations and implementation of the Audit Committee in 2024, please refer to the following page.

(2) Operation of the Audit Committee

The Audit Committee consists of 4 independent directors. The mission of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the accounting, auditing, financial reporting processes, and financial controls of the Company.

Functions and responsibilities of the Audit Committee:

(1) The establishment or revision to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
(2) The assessment of the effectiveness of the internal control system.
(3) The establishment or revision to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to third party and endorsement guarantees pursuant to Article 36-1 of the Securities and Exchange Act.
(4) The matters involving conflicts of interest of directors.
(5) The material asset or derivatives transactions.
(6) The material lending funds, endorsements or guarantees.
(7) The offering, issuance, or private placement of equity-type securities.
(8) The appointment, dismissal or remuneration of certified public accountants.
(9) The appointment and removal of the financial, accounting, or internal auditing officers.
(10) The annual financial reports signed or sealed by the chairman, a manager or an accounting supervisor, and financial reports for the second quarter audited and attested by a certified public accountant.
(11) The other matters approved by the Company or any material matter as prescribed by the competent authority.

The Audit Committee convened 7 (A) meetings in 2024. The attendance of independent directors was as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Independent Director	HO, JENG WEI	7	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024.
Independent Director	CHENG, SHENG IN	7	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024.
Independent Director	LIN, JING	7	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024.
Independent Director	CHEN, HSIEN CHIEN	6	0	85.71	Renewal of office at the General Shareholders' Meeting held on May 29, 2024.

Other mentionable items:

1. If any of the following circumstances occur, the dates of the Audit committee's meetings, sessions, contents of motions, objections, reservations or major recommendations by independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be stated.

<table>
<tr><th>Session number and date of the Audit Committee's Meetings</th><th>Motions and resolutions</th><th>Article 14-5 of the Securities and Exchange Act</th><th>Matters that have not been approved by the Audit Committee and have been agreed by more than two-thirds of all directors.</th></tr>
<tr><td rowspan="16">The sixteenth meeting of the 1st Audit Committee on 2024.2.26</td><td>1. 2023 business report and financial report.</td><td>V</td><td></td></tr>
<tr><td>2. 2023 surplus distribution.</td><td>V</td><td></td></tr>
<tr><td>3. Revision of the provisions of "Board Meeting Regulations".</td><td>V</td><td></td></tr>
<tr><td>4. Revision of the provisions of the "Shareholders' Meetings Regulations".</td><td>V</td><td></td></tr>
<tr><td>5. Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2023</td><td>V</td><td></td></tr>
<tr><td>6. Evaluation of CPA's independency and eligibility.</td><td>V</td><td></td></tr>
<tr><td>7. Discussion on the Company's and its subsidiaries' Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises.</td><td>V</td><td></td></tr>
<tr><td>8. Revision of the provisions of "Internal Control System".</td><td>V</td><td></td></tr>
<tr><td>9. Discussion on the material transaction between the Company and its shareholders for 2023.</td><td>V</td><td></td></tr>
<tr><td>10. Re-election of directors.</td><td>V</td><td></td></tr>
<tr><td>11. Formulation of the nomination period, places, and receiving point of the nominees of directors and independent directors.</td><td>V</td><td></td></tr>
<tr><td>12. Discussion to the lifting of the non-competition restriction for new directors.</td><td>V</td><td></td></tr>
<tr><td>13. Convention of 2024 shareholders' general meeting.</td><td>V</td><td></td></tr>
<tr><td>14. Discussion on the material transaction between the Company and its shareholders for 2024.</td><td>V</td><td></td></tr>
<tr><td colspan="3">Resolutions of the Audit Committee:
As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.</td></tr>
<tr><td colspan="3">The Company's response towards the opinions of the Audit Committee:
As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.</td></tr>
<tr><td rowspan="4">The seventeenth meeting of the 1st Audit Committee</td><td>1. Endorsement guarantee for POLARC CO., LTD. (subsidiary).</td><td>V</td><td></td></tr>
<tr><td>2. Financial institutions' credit limit.</td><td>V</td><td></td></tr>
<tr><td>3. Review of the financial report and the consolidated financial statement of Q1, 2024.</td><td>V</td><td></td></tr>
<tr><td>4. Acquisition and Disposal of Securities.</td><td>V</td><td></td></tr>
</table>

on 2024.5.8	5. Revision of the provisions of "Rules Governing Financial and Business Matters between the Company and its Affiliated Enterprises."	V	
	6. Revision of the provisions of "Procedures for the Prevention of Insider Trading".	V	
	7. Property Lease of Kaohsiung Warehouse.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
The first meeting of the 2nd Audit Committee on 2024.6.11	1. Establishment of the cash dividend distribution base date and cash dividend payment date for the year 2024.	V	
	2. Financial institutions' credit limit.	V	
	3. Revision the Company's Internal Control System.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
The second meeting of the 2nd Audit Committee on 2024.8.12	1. Review of the financial report and the consolidated financial statement of Q2, 2024.	V	
	2. Financial institutions' credit limit.	V	
	3. Revision of the provisions of "Internal Audit Practice Rules".	V	
	4. 2023 Sustainability Report.	V	
	5. Acquisition and Disposal of Securities.	V	
	6. Real estate transaction on COSMOS PLAZA in Sanchong Dist.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
The third meeting of the 2nd Audit Committee on 2024.9.2	1. The first buyback of the Company's shares to be transferred to employees with managerial roles.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		

The forth meeting of the 2nd Audit Committee on 2024.11.6	1. Revision of the provisions of the "Charter of Audit Committee".	V	
	2. Review of the financial report and the consolidated financial statement of Q3, 2024.	V	
	3. Acquisition and Disposal of Securities.	V	
	4. Organizational structure adjustment.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
The fifth meeting of the 2nd Audit Committee on 2024.12.24	1. Revision of the Company's Internal Control System.	V	
	2. Revision of the provisions of the "Articles of Incorporation".	V	
	3. Revision of the provisions of the "Risk Management Policy and Procedures".	V	
	4. Formulation of the Company's 2025 annual operation plans and budgeting.	V	
	5. Formulation of the Company's 2025 audit plans.	V	
	6. Financial institutions' credit limit.	V	
	7. Organizational structure adjustment.	V	
	8. Acquisition and Disposal of Securities.	V	
	9. Property Lease of the Taichung Exhibition Center.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		

2. Recusals of independent directors due to conflicts of interests, the names of independent directors, contents of motion, reasons for the recusals of conflicts of interests, and the participation in the vote shall be stated: None.

3. Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors (including the material items, methods and results of the audits on the corporate finance or operations, etc.)

(1) The communications between the independent directors and the internal auditors.

Meeting Dates	Matters Communicated	Suggestion and Execution Result
The sixteenth meeting of the 1st Audit Committee on 2024.02.26	Reviewed the internal auditor's report.	None.
The seventeenth meeting of the 1st Audit Committee on 2024.05.08	Reviewed the internal auditor's report.	None.
The first meeting of the 2nd Audit Committee on 2024.06.11	Reviewed the internal auditor's report.	None.
The second meeting of the 2nd Audit Committee on 2024.08.12	Reviewed the internal auditor's report.	None.
The third meeting of the 2nd Audit Committee on 2024.09.2	Reviewed the internal auditor's report.	None.
The colloquium between independent directors and audit office on 2024.11.06	Reported the internal audit plan. Reported the internal audit progress. Reported the internal and external audit result.	None.
The fourth meeting of the 2nd Audit Committee on 2024.11.06	Reviewed the internal auditor's report.	None.
The fifth meeting of the 2nd Audit Committee on 2024.12.24	Reviewed the internal auditor's report.	None.

(2) The communications between the independent directors and the accounting supervisors.

Meeting Dates	Matters Communicated	Suggestion and Execution Result
The sixteenth meeting of the 1st Audit Committee on 2024.02.26	Reviewed the financial report and the consolidated financial statement of 2023.	None.
The seventeenth meeting of the 1st Audit Committee on 2024.05.08	Reviewed the consolidated financial statement and the manuscript for the audited and attested by an accounting supervisor of Q1, 2024.	None.
The second meeting of the 2nd Audit Committee on 2024.08.12	Reviewed the consolidated financial statement and the manuscript for the audited and attested by an accounting supervisor of Q2, 2024.	None.
The colloquium between independent directors and accounting supervisor on 2024.11.06	1. Responsibilities of the governance unit. 2. TWSQM1 quality management for the Firm Scope and method of auditing. 3. Group structure and audit. 4. Significant risk and key audit matter. 5. Announcement of 3 carbon fee regulations 6. Explanation of the requirements for the preparation and filing of sustainability reports. Overview of domestic requirements and processes of sustainability compliance. 7. Internal control：Management of sustainability information 8. Communicate with the governance unit about the updates of the Acts in 2024 9. Service team.	None.
The fourth meeting of the 2nd Audit Committee on 2024.11.06	Reviewed the consolidated financial statement and the manuscript for the audited and attested by an accounting supervisor of Q3, 2024.	None.

(3) Corporate Governance implementation status, the deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the causes of the differences.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
1. Does the company establish and disclose the best practice principles for corporate governance based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		In order to establish a good corporate governance system, the Company has established a "Guideline of Corporate Governance Practices" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", which is disclosed on the Market Observation Post System and the Company's website.	No material difference was found.
2. Shareholding structure and shareholders' rights of the Company				
(1) Does the Company establish an internal operating procedure to deal with shareholders' proposals, inquiries, disputes and litigations? Has the procedure been implemented accordingly?	✓		(1) As regulated by the "Guideline of Corporate Governance Practices", there is an "Investor Section" that provides the information of which the shareholders are concerned and the contact channels with the Company in the Company's official website. A spokesperson and a deputy spokesperson are dedicated to deal with shareholders' proposals and inquiries. Lawyers shall be appointed to deal with matters that involve legal issues or other disputes.	No material difference was found.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company has gotten hold of the list of major shareholders who has the actual control over the company and their ultimate controllers, and regularly discloses the relevant pledges and changes in equity changes of directors and shareholders holding more than 10% of the shares in accordance with the laws and regulations.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has established the "Subsidiary Supervision Operating Measures" and "Rules Governing Financial and Business Matters between the Company and its Affiliated Enterprises" in the internal control system. The financial, operational, and accounting of the affiliated enterprises are all working independently with a dedicated staff, and are all under the control and audit of the parent company.	No material difference was found.
(4) Does the company establish internal rules against insider trading with undisclosed information?	✓		(4) The Company has established and implemented the "Procedures for the Prevention of Insider Trading" in the internal control system.	No material difference was found.
3. Composition and Responsibilities of the Board of Directors (1) Does the Board establish and implement a diversified policy, and specified managing targets?	✓		(1) The Company has established a "Nomination Committee" and adopted the "Candidate Proposal System". The director candidates shall be nominated and evaluated by the "Nomination Committee", then approved by the Board of Directors, and submitted to the Shareholders' Meeting for election. According to Article 20 of the "Guideline of Corporate Governance Practices", the Board members shall be equipped with the necessary knowledge, skills, and competencies to perform their duties. To achieve this ideal goal of corporate governance, the Board shall possess the following abilities:	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			1. Operation judgment ability. 2. Accounting and financial analysis ability. 3. Operation management ability. 4. Crisis management ability. 5. Industrial knowledge. 6. International market perspective. 7. Leadership ability. 8. Decision-making ability. To strengthen the corporate governance and promote the integrated development of the Board's constitution and structure, it is indicated in Article 20 of the "Guideline of Corporate Governance Practices": The constitution of the Board of Directors shall be diversified; however, directors who are also managers of the company shall not exceed one three of the total seats of directors. Diversified planning shall be formulated regarding the operations, business models, and development needs. It shall include but not be limited to the following standards in terms of two main aspects: 1. Basic conditions and values: gender, age, nationality, culture, etc., and the female directors shall exceed one three of the total seats of directors. 2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, industrial background, and others.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			The Company's current Board of Directors is composed of eight members, including four non-executive directors and four independent directors. Board members possess diverse backgrounds and extensive experience in finance, law, industry expertise, and business management, reflecting both professionalism and diversity. None of the current board members concurrently serve as company executives, thereby ensuring the independence and oversight function of the Board. To strengthen corporate governance and enhance the effectiveness of the Board, the Company has established a clear diversity policy and specific management objectives, including a target of 50% of board seats held by independent directors and a minimum of one female director. These objectives were fully implemented during the board election in 2024. Currently, there is one female director on the Board, accounting for 12.5% of the total seats. While this meets the Company's internal target, it does not yet reach the one-third benchmark recommended by the competent authority. Looking ahead, the Company will continue to include female candidates with industry expertise and leadership potential in the director nomination process, and actively support the career development of female managerial personnel. Through these efforts, the Company aims to gradually increase the proportion of female directors and achieve long-term goals for board diversity. For details on the implementation status of board diversity, please refer to Note 1 of this table (p. 56).	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	✓		(2) In addition to establishing the Compensation Committee and Audit Committee in accordance with applicable laws and regulations, the Company has voluntarily established a Nomination Committee. The “Charter of Nomination Committee” was approved by the Board of Directors on November 8, 2019. Furthermore, to strengthen the governance structure for sustainable development, the Board of Directors resolved on November 6, 2024, to establish the Sustainability Committee and simultaneously approved the adoption of the “Charter of Sustainability Committee.”	No material difference was found.
(3) Does the company establish a standard to measure the performance of the Board and implement it annually? Shall the performance evaluation results submit to the Board of Directors and be referenced when determining the remuneration of individual directors and nominations for reelection?	✓		(3) In order to implement the corporate governance, the Company has formulated the “Performance Evaluation Method of the Board of Directors” which was approved in the Board’s meeting on November 8th, 2019 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. It is required to conduct internal performance evaluations annually and appoint an external professional independent organization or a team of expert scholars every three years to conduct evaluations. The evaluation methods, standards, and results should be disclosed on the Company's website. The performance of self-assessment of the Board of Directors and functional committees for the year 2024, it was evaluated as good. The overall situation is deemed to be operating	No material difference was found.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>effectively. The assessment results were reported to the Board of Directors on December 24, 2024. For details on the performance evaluation results, please refer to Note 2 of this table (pp. 57–61). The results serve as a reference for the assessment of individual directors, as well as for decisions regarding remuneration and nomination for reappointment.</td><td></td></tr>
<tr><td>(4) Does the company regularly evaluate the independence of CPAs?</td><td>✓</td><td></td><td>(4) According to Article 29 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, the company shall evaluate the independence and suitability of the CPA engaged regularly by referring to the audit quality indicators (AQIs), and no less frequently than once annually. The declaration of independence and the report of AQI issued by the CPA shall be obtained and submitted to the Board for the approval of the appointment.
After evaluating the independence of accountants by the Company in 2024, the Yu Su Huan CPA and Tseng Chien Ming CPA of Deloitte Taiwan met the Company’s independence assessment standards (Note 3 of this table, p. 62) and 13 AQI indicators. The declaration of independence and the report of the AQI were issued by the CPAs and given to the Company. The results of the assessment were discussed by the Audit Committee, submitted to the Board and approved by the Board of Directors on March 4, 2025.</td><td>No material difference was found.</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
4. Do Exchange-listed and OTC-listed companies appoint an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer in charge of corporate governance affairs (including but not limited to providing information necessary for directors and supervisors to carry out their business, assisting directors and supervisors in complying with the law, conducting board meetings and shareholders' meetings in accordance with the law, taking minutes of board meetings and shareholders' meetings, etc.)?	✓		(1) According to Article 3-1 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, the Finance Department shall be in charge of the Company’s corporate governance unit, responsible for all matters related to corporate governance. The duties include the following: A. To handle all matters related to the Board’s and the Shareholders’ meetings in accordance with the laws and regulations. B. To prepare the Board’s and the Shareholders’ meeting minutes. C. To assist the directors to take office and pursue continuing education. D. To provide the necessary information for the directors to execute their duties. E. To assist the directors to comply with the laws and regulations. F. Other matters established of the Articles of Association or Deeds. (2) As approved by the Board’s meeting on November 8, 2019, the Deputy General Manager of Finance Chen Yu-chuan will take the office of corporate governance supervisor as she has been working in the financial, accounting, and share-matters in public listed	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			companies, with management experience for more than three years. She has worked to guarantee the shareholders' rights and benefits and fortify the Board. (3) 2024 business operations: A. To assist directors and supervisors to perform their duties, provide the necessary information, and arrange further studies: a. To provide the board members with the latest information of the statutory amendments related to corporate governance, as well as their updates from time to time. b. To review the degree of confidentiality of the relevant information and provide the board members with the necessary information to keep the communication between the directors/supervisors and the supervisors of all departments smoothly. c. To make meeting arrangements for the independent directors based on the Guideline of Corporate Governance Practices and to understand and discuss company relevant businesses with the internal audit supervisors and public certified accountants. d. To assist the Board members to arrange a continuing education plan of at least six credits according to the	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			Company's industrial characteristics, and the directors' and supervisors' academic background. B. To assist the Board meeting and Shareholders' meeting procedures and resolutions to be in compliance with the laws and regulations: a. To report the Company's corporate governance status to the Board, independent directors, and supervisors, making sure that the relevant legality of the convention of the Board and Shareholders' meetings and corporate governance rules and regulations. b. To assist and remind the Board members to comply with the laws and regulations when making an official resolution in the Board meeting. c. To announce important information in the Chinese and English version at the Public Information Post System as a reference for the investors after making important resolutions in the Board meetings. C. To maintain the relationships with the investors, convene at least two legal person briefings every year, and make arrangements for the directors to have exchanges and communication with the main shareholders, institutional investors, or general shareholders so that the investors can	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>obtain sufficient information to assess and determine the reasonable capital market value and to have shareholders' rights well protected.
D. To formulate Board meeting agenda and notify the Board members seven days prior to the meeting, offering them the relevant information for the motions. If avoidance is needed due to interest conflicts, they shall be reminded beforehand. Board meeting minutes shall be completed twenty days after the Board Meeting.
E. To handle the pre-registration of the date of the shareholders meeting in accordance with the laws and regulations, prepare meeting notices, meeting manuals, annual reports, and meeting records within the statutory time limit, and make announcements on the Public Information Post System; to handle the relevant change registration after any amendment of the Articles of Association or re-election of the Board.
F. To assess and insure suitable liability insurance for the directors and supervisors, and remind them of the latest Board report after the completion of the issuance.
(4) Please refer to pp.106-107 of the Annual Report for further information of the management's corporate governance continuing education in 2024.</td><td></td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		(1) An Interest Party Section is established in the Company's official website, which includes Shareholders Section, Customer Section, Supplier Section, and Staff Section. The complaint channels and contact information are all disclosed in the various sections. The information of interest parties can be found in the Interest Party Section on the Company's website. (2) A Shareholder Section is established on the Company's website together with the spokesperson and the acting spokesperson that are responsible for the communication channels. An Investor Section is also established on the Company's official website, where the financial and share related information is disclosed. (3) A Customer Section is established on the Company's website which provides customer service e-mail and customer service hotline, serving as the channels of communication for the consumers. (4) A Staff Section is established on the Company's website which provides a staff hotline, e-mail, and staff e-mail, facilitating the communication between the staff. (5) The Company's official website also provides a Supplier Platform for the suppliers to submit their quotations and the Company to manage the suppliers' quality. It is served as a communication channel with the suppliers. (6) The above-mentioned sections will respond promptly and appropriately to important corporate social responsibility issues which are concerned by the interest parties.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has entrusted a professional stock affairs agency, the "Stock Affairs Agency Department of Grand Fortune Securities" to handle various stock affairs on behalf of the Company.	No material difference was found.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has established an exclusive website: http://www.caesar.com.tw, where the financial affairs and corporate governance information are revealed in the Investor Section, serving as a reference for the shareholders and interested party. Information will be updated on a regular basis, facilitating the investors to take it as reference.	No material difference was found.
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The company has appointed a dedicated staff to take charge of the collection and disclosure of the Company's information and has established a spokesperson and an acting spokesperson to speak on behalf of the Company. The management and employees are requested to keep the financial business confidential, not to disseminate information arbitrarily in order to fully implement the spokesperson system. The process of the Company's legal person briefings has been uploaded to the Company's official website, making sure that all information that may affect the shareholders and the interested parties' decision-making can be disclosed in a timely and fair manner.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the Company publicly announce and file its annual financial reports within two months after the end of the fiscal year, and announce and file its first, second and third quarter financial reports as well as its operations for each month well in advance of the prescribed deadline?	✓		(3) The Company has complied with Article 36 of the Securities and Exchange Act and other applicable regulations by disclosing and filing its annual financial statements within the prescribed deadline (within 75 days after the end of the fiscal year). The individual and consolidated financial statements for fiscal year 2024 were approved by the Board of Directors on March 4, 2025, and disclosed on the Market Observation Post System. As the audit and internal review procedures required appropriate scheduling, the annual financial statements were not filed ahead of schedule but were submitted within the statutory deadline. The financial reports for the first, second, and third quarters of 2024, as well as monthly operating results, were all disclosed and filed ahead of the required deadlines.	No material difference was found.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management	✓		(1) Rights and benefits of employees, care for employees. Please refer to pp. 145-147 "Labor Relations" of the annual report. (2) Relation with investors. The Company has implemented the spokesperson and acting spokesperson system, which is served as a communication channel between the Company and the shareholders, investors, and interested parties. The Company shall provide different kinds of information that may affect the investors' decision-making in accordance with the competent authority's regulations related to the information announcement and declaration.	Will plan to advance disclosure and filing progressively, based on the actual work schedule.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			(3) Relation with suppliers. The Company has established "Supplier Management Measures", ensuring the delivery, quality, and pricing of the suppliers to be in compliance with the Company's needs and to establish good communication and coordination. (4) Rights of interested parties. Please refer to the "Interested Parties" section under the Investor section on the Company's official website (http://www.caesar.com.tw) and to "The Stakeholder Communication Status Report" on pp. 91-93 of this annual report. (5) Continuing education of directors and supervisors. Please refer to the "2024 Directors Continuing Education on Corporate Governance" on pp. 106-107 of this annual report. (6) Execution of risk management policies and risk measuring standards. Please refer to the risk management policies and procedures under the Corporate Governance Section of the Investor Section on the Company's official website and refer to pp. 69-74 of this annual report. (7) Execution of customer policies. The Company has established a Sales Department and a Customer Service Department that offer channels of product consultation and after-sales services and maintenance, keeping a smooth contact channel with the customers. (8) Liability insurance for the Company's directors and supervisors. The purchase of liability insurance for the directors, supervisors,	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>and important employees was reported to the Board on June 11, 2024 in order to reduce and disperse the risk of major damages to the Company and shareholders that may be caused by mistakes or negligence. The insurance was issued on June 1, 2024 in accordance with the laws and regulations.</td><td></td></tr>
<tr><td colspan="5">9. Please describe the improvements of Corporate Governance Evaluation System by the Taiwan Stock Exchange Corporate Governance Center announced in the last year, and suggest priorities and measures for improvement where (a company which was not a target of assessment has no need to fill in this column.)

(1) Improved situation
A. The Company’s 2023 Sustainability Report was prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI). It was approved by the Board of Directors on August 12, 2024, and has been disclosed on the Market Observation Post System (MOPS) and the Company’s official website.
B. The Company’s primary business locations are New Taipei City and Kaohsiung. After assessing environmental risks in the surrounding communities, the Company organized employee participation in wetland conservation activities at Wugu and Wanli in 2024. These actions involved practical ecological preservation measures and helped strengthen engagement with local communities. The related outcomes have been disclosed in the Company’s annual report and sustainability report.

(2) Prioritization and Enhancement Measures
A. The Company plans to upload the English version of ESG report.
B. The Company will prioritize reporting the individual remuneration of each Director as a separate proposal at the Shareholders’ Meeting.</td></tr>
</table>

Note 1: Diversified Core Competency of the members of the Board

Core Competency / Name	1. Basic Composition		2. Background				3. Industrial Experience					4. Expertise							
	Nationality	Gender & Age	Law	Accounting	Industry	Finance	Lawyer	Accountant	Bank	Business Administration	Manufacturing and Sale	Business Judgment Skills	Accounting, Financial Analytical Skills	Management Skills	Crisis Management Skills	Industry Knowledge	International Market Perspective	Leadership	Decision-making Skills
HSIAO, CHUN HSIANG	ROC	Male 61~70 years old			V					V	V	V	V	V	V	V	V	V	V
TSAI, MING HSI	ROC	Male 51~60 years old				V			V			V		V		V	V	V	
CHANG, YI HSIN	ROC	Male 51~60 years old			V					V	V	V		V		V	V	V	V
LIN, KUO HUA	ROC	Male 71~80 years old			V					V		V		V	V		V		V
HO, JENG WEI	ROC	Male 41~50 years old		V				V				V	V	V			V	V	V
CHENG, SHENG IN	ROC	Female 51~60 years old		V				V		V		V	V	V	V		V	V	V
LIN, JING	ROC	Male 51~60 years old				V				V		V	V	V	V		V	V	V
CHEN, HSIEN CHIEN	ROC	Male 61~70 years old	V				V							V	V		V	V	V

The average age of the members of the Board was 58.5 years old.

Note 2: The results of the Board of Directors' performance evaluation for 2024.

Sanitar Co., Ltd.

The 2024 Performance Evaluation Results of the Board of Directors

(1) Basis:

In order to implement corporate governance and enhance the functionality and efficiency of the Board of Directors, the Company has formulated the "Performance Evaluation Method of the Board of Directors" which was approved by the Board of Directors on November 8, 2019. Performance evaluations are conducted regularly every year.

(2) Evaluation Period and Duration:

A. Internal self-assessment: The Board of Directors and functional committees of the Company shall conduct a performance evaluation at the end of each year.

B. External assessment: The execution of the Board of Directors' performance evaluation by the Company shall be carried out once every three years by an external professional independent organization or team of external experts and scholars.

(3) Evaluation Procedure:

A. At the end of each year, a performance evaluation for that year is conducted based on various indicators. The results of both external and internal performance evaluations are submitted for discussion by the Nomination Committee and reviewed and improved by the Board of Directors.

B. The internal performance evaluation results for the year 2024 have been submitted for discussion by the Nomination Committee on December 24, 2024. The aforementioned procedures and evaluation results are also disclosed on the Company's website

(4) Evaluation Indicators:

A. The items of the Board of Directors' performance evaluation encompass the following five aspects, totaling 45 indicators:

i. The level of participation in the company operations.

ii. The quality of decision-making of the Board of Directors.

iii. The composition and structure of the Board of Directors.

iv. The election and continuing education of directors.

v. Internal control.

B. The items of the performance evaluation of board members encompass the following six aspects, totaling 23 indicators:
   a. Grasp of the company targets and missions.
   b. Awareness of the director's responsibilities.
   c. The level of participation in the company operations.
   d. Internal relationship management and communication.
   e. Professionalism and continuing education of directors.
   f. Internal control.

C. The items of the Nomination Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
   a. The level of participation in the company operations.
   b. Awareness of the Nomination Committee's responsibilities.
   c. The quality of decision-making of the Nomination Committee.
   d. The composition and structure of the Nomination Committee.
   e. Internal control.

D. The items of the Compensation Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
   a. The level of participation in the company operations.
   b. Awareness of the Compensation Committee's responsibilities.
   c. The quality of decision-making of the Compensation Committee.
   d. The composition and structure of the Compensation Committee.
   e. Internal control.

E. The items of the Audit Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
   a. The level of participation in the company operations.
   b. Awareness of the Audit Committee's responsibilities.
   c. The quality of decision-making of the Audit Committee.
   d. The composition and structure of the Audit Committee.
   e. Internal control.

(5) Evaluation Results:

A. Internal self-assessment: The overall operation of the Board of Directors and functional committees is sound, and the evaluation results are satisfactory, meeting the requirements of corporate governance. Each committee has fulfilled its duties and effectively enhanced the functions of the Board of Directors.

a. The self-assessment of the Board of Directors' performance indicated that the average scores across various dimensions ranged from 4.98 to 5.00 (out of a maximum score of 5.00).

Names of the Directors / Items and the score of self-evaluation	HSIAO, CHUN HSIANG	TSAI, MING HSI	CHANG, YI HSIN	LIN, KUO HUA	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	5	5	4.92	5	5	5	5	5	4.99
2. The quality of decision-making of the Board of Directors.	5	4.92	4.92	5	5	5	5	5	4.98
3. The composition and structure of the Board of Directors.	5	5	5	5	5	5	5	5	5.00
4. The election and continuing education of directors.	5	5	4.86	5	5	5	5	5	4.98
5. Internal control.	5	5	5	5	5	4.86	5	5	4.98

b. The self-assessment of the board members' performance indicated that the average scores across various dimensions ranged from 4.96 to 5.00 (out of a maximum score of 5.00).

Names of the Directors / Items and the score of self-evaluation	HSIAO, CHUN HSIANG	TSAI, MING HSI	CHANG, YI HSIN	LIN, KUO HUA	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. Grasp of the company targets and missions.	5	5	5	5	4.67	5	5	5	4.96
2. Awareness of the director’s responsibilities.	5	5	5	5	5	5	5	5	5.00
3. The level of participation in the company operations.	5	4.88	5	5	4.88	5	5	5	4.97
4. Internal relationship management and communication.	5	5	5	5	5	5	5	5	5.00
5. Professionalism and continuing education of directors.	5	5	5	5	5	5	5	5	5.00
6. Internal control.	5	5	5	5	5	5	5	5	5.00

c. The self-assessment of the Nomination Committee indicated that the average scores across various dimensions ranged from 4.97 to 5.00 (out of a maximum score of 5.00).

Items and the score of self-evaluation / Names of the Directors	HSIAO, CHUN HSIANG	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	5	5	5	5	5	5.00
2. Awareness of the Nomination Committee's responsibilities.	5	4.88	5	5	5	4.98
3. The quality of decision-making of the Nomination Committee.	5	5	5	5	4.86	4.97
4. The composition and structure of the Nomination Committee.	5	5	5	5	5	5.00
5. Internal control.	5	5	5	5	5	5.00

d. The self-assessment of the Compensation Committee indicated that the average score across all dimensions was 5.00 (out of a maximum score of 5.00).

Items and the score of self-evaluation / Names of the Directors	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	5	5	5	5	5.00
2. Awareness of the Compensation Committee's responsibilities.	5	5	5	5	5.00
3. The quality of decision-making of the Compensation Committee.	5	5	5	5	5.00
4. The composition and structure of the Compensation Committee.	5	5	5	5	5.00
5. Internal control.	5	5	5	5	5.00

e. The self-assessment of the Audit Committee indicated that the average score across all dimensions was 5.00 (out of a maximum score of 5.00).

Items and the score of self-evaluation / Names of the Directors	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	5	5	5	5	5.00
2. Awareness of the Audit Committee's responsibilities.	5	5	5	5	5.00
3. The quality of decision-making of the Audit Committee.	5	5	5	5	5.00
4. The composition and structure of the Audit Committee.	5	5	5	5	5.00
5. Internal control.	5	5	5	5	5.00

f. The subsequent handling method:

The performance evaluation results for this year will be submitted to the company's nomination committee. Regarding the lower-rated indicators mentioned above, the nomination committee members will be consulted to determine the direction for improving director performance assessments. Additionally, the company will consider the new version of the corporate governance blueprint and corporate governance evaluation indicators released by the Financial Supervisory Commission to review and amend the performance evaluation policies of the board of directors and functional committees.

B. External Evaluation: The Company did not commission an external evaluation firm for the Board of Directors' performance assessment in 2024. In 2022, the Company entrusted the Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board for the year 2022. The external professional institution is independent, with no business relationship or affiliation with the Company. For details on the evaluation results by these external experts, please refer to pp.23-24 of this annual report.

Note 3: Assessment Table of Independence and Suitability of CPAs.

Item	Item	Result	Comply with the standard.
1	Is there any direct or indirect substantial financial interest between the CPA, his/her spouse or dependent relatives and the Company?	No	Yes
2	Has there been any mutual financing or guarantee arrangements between the CPA, his/her spouse or dependent relatives and the Company, its directors, or executives?	No	Yes
3	Does the CPA, his/her spouse or dependent relatives have any close business relationships with the Company, its directors, or executives?	No	Yes
4	Are the CPAs, their spouse or dependent relatives not serving as directors, executives, or holding positions with direct and significant influence on the audit work of the Company, or having previously held such positions during the audit period?	No	Yes
5	Have the CPAs, their spouse or dependent relatives not held position as directors, executives, or positions of significant influence within the Company currently or in the past two years? Have they also not committed to holding such positions in the future?	No	Yes
6	Is there no relationship of spouse, consanguinity, affinity or consanguinity within two degrees between the CPA and any directors, supervisors or managerial officers of the Company?	No	Yes
7	Has the CPA not received any expensive gift or present from the Company or the Company's directors, supervisors, managerial officers or major shareholders (valuing more than the value required under the general social etiquette standards).	No	Yes
8	Has the CPA’s tenure as the lead accountant for the Company not exceeded seven years, and after rotation, a minimum two-year interval is required before reappointment.	No	Yes
Evaluation Result: The auditors have not violated any independence requirements.			

(4) If a company has established the Compensation Committee or Nomination Committee, then the composition, responsibilities and operation of the committees shall be disclosed:

1. Information on Members of the Compensation Committee:

April 1st, 2025

Title	Criteria / Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	Remarks
Independent Director (Convener)	CHENG, SHENG IN	Please refer to the "Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors" on pp.9-13 of this annual report.		3	None
Independent Director	HO, JENG WEI			0	None
Independent Director	LIN, JING			1	None
Independent Director	CHEN, HSIEN CHIEN			0	None

Note 1: Professional Qualifications and Experience: To describe the professional qualifications and experience of directors and supervisors individually, and if they are members of the Audit Committee and have accounting or financial expertise, they should state their accounting or financial background and work experience, and indicate whether there are no cases of the provisions of Article 30 of the Company Law.

Note 2: Independent directors shall state the circumstances in which independence is satisfied, including but not limited to whether they, their spouses, relatives of second degree or closer are directors, supervisors or employees of the Company or its affiliated enterprises; the number and proportion of shares in the Company held by themselves, spouses, relatives of second degree or closer (or in the name of others); and whether they are directors, supervisors or employees of companies with specific relationships with the Company (referring to the provisions of Article 3, Paragraph 1, Item 5-8 of the Measures for the Establishment of Independent Directors of Public Offering Companies and matters to be followed); and have not served as the amount of remuneration received in the last two years for the providing business, legal, financial, accounting and other services of the Company or its affiliates.

2. Operations of the Compensation Committee

(1) There are 4 members in the Compensation Committee of the Company.

(2) The term of the current committee members is from May 29, 2024 to May 28, 2027. A total of 3 (A) Compensation Committee's meetings were held in 2024; the qualification and the attendance record of the Compensation Committee members were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	CHENG, SHENG IN	3	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	HO, JENG WEI	3	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	LIN, JING	3	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	CHEN, HSIEN CHIEN	2	0	66.67	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 3 meetings in 2024.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, the dates of the board meetings, sessions, contents of motions, resolutions by the board of directors, and the Company's response to the compensation committee's opinions should be stated. (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the compensation committee, the different circumstances and causes should be stated): None.
2. If any resolutions of the compensation committee are objected or subjected to a qualified opinion and recorded or declared in writing by members, the dates of the compensation committee's meetings, sessions, contents of the motions, all members' opinions and the response to members should be stated:

Meeting Dates	Motions and Follow-ups	Execution Result	The company's handling of the compensation committee's opinions
The seventh meeting of the 5th Compensation Committee on 2024.02.26	1. Revision of the provisions of the “The Board of Directors' Remuneration Rules”. 2. Revision of the provisions of “Manager’s Remuneration Rules”. 3. 2023 remuneration distribution for the employees, and directors. 4. Review of the 2023 remuneration payment of the directors. 5. Review of the 2023 remuneration payment for the employees. 6. Review of the 2023 operating bonus payment.	Motion 4: Except for Commissioners HO, JENG-WEI, CHENG, SHENG-IN, LIN, JING and CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The first meeting of the 6th Compensation Committee on 2024.09.02	1. Review of the new directors’ remuneration in 2024. 2. The first buyback of the Company's shares to be transferred to employees with managerial roles.	Motion 1: Except for Commissioners CHENG, SHENG-IN, HO, JENG-WEI, LIN, JING and CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The second meeting of the 6th Compensation Committee on 2024.12.24	1. Review of the directors’ performance in 2024, also their performance targets and remuneration in 2025. 2. Review of the managers’ performance in 2024, also their performance targets and remuneration in 2025. 3. Review of the 2024 remuneration payment of the directors and employees. 4. Review of the 2024 operating bonus distribution. 5. Review of the 2024 year-end bonus distribution. 6. Discussion of the Company’s Compensation Committee’s work plan in 2025.	Motion 1: Except for Commissioners CHENG, SHENG-IN, HO, JENG-WEI and LIN, JING whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.

3. Information on Members and Operations of the Nomination Committee.

(1) Eligibility Criteria and Responsibilities for Appointed Members of the Nomination Committee.

In order to improve the functions of the Company's board of directors and strengthen the management systems, the Company had approved the “Charter of Nomination Committee” by the Board Meeting held on November 8, 2019 in accordance with the Paragraph 3, Article 27 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”. It is expressly stated in the Charter that the Board of Directors shall elect at least three directors, of whom a majority of whom shall be independent directors, and whose committees shall faithfully perform the following functions and powers with the attention of a good manager:

A. To establish criteria for the diversity background and independence of Board members, such as expertise, skills, experience and gender, and to discover, review and nominate candidates for the Board of Directors.

B. To structure and develop the organizational structure of the Board of Directors and its committees, to conduct performance evaluations of the Board of Directors, committees and directors, and to assess the independence of independent directors.

C. Establish and regularly review the directors’ refresher plans and succession plans.

D. Establish the Company’s code of the “Guideline of Corporate Governance Practices”.

(2) Professional Qualifications, Experiences, and Operations of the Nomination Committee Members.

A. There are 5 members in the Nomination Committee of the Company.

B. The term of the current committee members is from May 29, 2024 to May 28, 2027. A total of 3 (A) Nomination Committee’s meetings were held in 2024; the professional qualifications and the attendance records of the Nomination Committee members were as follows:

Title	Name	Professional Qualifications and Experiences	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	LIN, JING	Please refer to the “Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors” on pp.9-13 of this annual report.	3	0	100	Renewal of office at the General Shareholders’ Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	HSIAO, CHUN HSIANG		3	0	100	Renewal of office at the General Shareholders’ Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	CHENG, SHENG IN		3	0	100	Renewal of office at the General Shareholders’ Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	HO, JENG WEI		3	0	100	Renewal of office at the General Shareholders’ Meeting held on May 29, 2024, and should attend 3 meetings in 2024.
Committee Member	CHEN, HSIEN CHIEN		2	0	66.67	Renewal of office at the General Shareholders’ Meeting held on May 29, 2024, and should attend 3 meetings in 2024.

Other mentionable items:

The dates of the main proposals of nomination committee’s meetings, sessions, contents of the motions, matters that are objected or subjected to a qualified opinion by members of nomination committee, the resolutions of the nomination committee and the Company’s response to members should be stated:

Meeting Dates	Motions and Follow-ups	Execution Result	The company's handling of the nomination committee's opinions
The fourth meeting of the 2nd Nomination Committee on 2024.02.26	1. Revision of the provisions of the “The Board of Directors' Remuneration Rules”. 2. Nominated list of directors and independent directors.	Motion 2: Except for Commissioners LIN, JING, HSIAO, CHUN-HSIANG, CHENG, SHENG-IN, HO, JENG-WEI, and CHEN, HSIEN CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners presented at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The first meeting of the 3rd Nomination Committee on 2024.11.06	1. Revision of the provisions of the “Charter of Audit Committee”. 2. Establishment of the Company's Sustainability Development Committee and the formulation of the “Charter of Sustainability Development Committee”. 3. Appointment of the Sustainability Committee.	Motion 3: Except for Commissioners LIN, JING, HSIAO, CHUN-HSIANG, CHENG, SHENG-IN, HO, JENG-WEI, and CHEN, HSIEN CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners presented at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The second meeting of the 3rd Nomination Committee on 2024.12.24	1. Review of the directors’ performance in 2024, also their performance targets and remuneration in 2025. 2. Review the status of the directors' continuing education in 2024 and the refresher programs in 2025.	Motion 1: Except for Commissioners LIN, JING, HSIAO, CHUN-HSIANG, CHENG, SHENG-IN, HO, JENG-WEI, and CHEN, HSIEN CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners presented at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.

4. Information on Members and Operations of the Sustainability Committee.

(1) Eligibility Criteria and Responsibilities for Appointed Members of the Sustainability Committee.

To implement the Company's sustainability goals and strengthen sustainable governance, the Sustainability Committee was established in accordance with Article 27, Paragraph 3 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Article 9, Paragraph 1 of the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies." On November 6, 2024, the Board of Directors approved the Sustainability Committee Charter. According to the Charter, the Committee shall consist of at least three members appointed by the Board of Directors, all of whom must possess professional knowledge and competence in corporate sustainability. At least one member must be a director who will participate in supervisory duties. Depending on the Company’s scale and needs, the Committee may establish dedicated or concurrent units and appoint a senior executive as Chief Sustainability Officer (CSO) to integrate cross-departmental resources and drive sustainability initiatives. Under the authorization of the Board of Directors, the Committee shall fulfill the following responsibilities with the duty of care of a prudent manager and in good faith:

A. Formulate, promote, and strengthen the Company’s sustainability policies, annual plans, and strategies.

B. Review, monitor, and revise the implementation status and performance of sustainability initiatives.

C. Supervise sustainability-related disclosures and review the sustainability report.

D. Oversee the execution of the Company’s sustainability code of practice and other sustainability-related matters as resolved by the Board of Directors.

The Sustainability Committee has also established four working groups to drive initiatives in key areas: Corporate Governance, Environmental Sustainability, Social Engagement, and Sustainability Disclosure. These cross-functional teams are responsible for implementing tasks related to regulatory compliance, climate change, human rights, community involvement, and information disclosure. Their progress and results will be consolidated and reported to both the working-level sustainability task force and the Committee to ensure the fulfillment of the Company’s sustainability objectives.

(2) Professional Qualifications, Experiences, and Operations of the Sustainability Committee Members.

A. There are 6 members in the Sustainability Committee of the Company.

B. The term of the current committee members is from May 29, 2024 to May 28, 2027. A total of 1 (A) Sustainability Committee’s meetings was held in 2024; the professional qualifications and the attendance records of the Sustainability Committee members were as follows:

Title	Name	Professional Qualifications and Experiences	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	HSIAO, CHUN HSIANG	Please refer to the "Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors" on pp.9-13 of this annual report.	1	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 1 meeting in 2024.
Committee Member	HO, JENG WEI		1	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 1 meeting in 2024.
Committee Member	CHENG, SHENG IN		1	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 1 meeting in 2024.
Committee Member	LIN, JING		1	0	100	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 1 meeting in 2024.
Committee Member	CHEN, HSIEN CHIEN		0	0	0	Renewal of office at the General Shareholders' Meeting held on May 29, 2024, and should attend 1 meeting in 2024.
Committee Member	CHEN, WEI CHIH	Please refer to the "Information on the President, Vice President, General Director, and Supervisors of Various Departments and Branches" on pp.15-16 of this annual report.	1	0	100	The General Manager, who is not a member of the Board of Directors, participates in the Committee in a non-director capacity.

Other mentionable items:

The dates of the main proposals of Sustainability Committee's meetings, sessions, contents of the motions, matters that are objected or subjected to a qualified opinion by members of Sustainability Committee, the resolutions of the Sustainability Committee and the Company's response to members should be stated:

Meeting Dates	Motions and Follow-ups	Execution Result	The company's handling of the nomination committee's opinions
The first meeting of the 1st Sustainability Committee on 2024.12.24	1. Formulation of the "Rules Governing the Preparation and Filing of Sustainability Reports." 2. Revision of the Company's Internal Control System.	As consulted by the Chairman, all proposals were approved by the directors present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.

(5) Sustainable Development implementation status, the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the causes of the differences.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
1. Has the Company established a governance framework to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by senior management authorized by the Board of Directors, and the board of directors supervises the situation?	✓		(1) The company has approved the establishment of the Sustainability Development Committee under the Board of Directors through a resolution passed on November 6, 2024. This committee is responsible for promoting corporate governance, sustainable environmental development, social welfare, and other corporate social responsibilities. It is composed of the Chairman, the General Manager, and Independent Directors, holding regular meetings once a year and additional meetings as needed for discussions on significant issues. In 2024, the committee convened once, primarily to oversee and review the company's corporate social responsibility (CSR), corporate governance, and sustainability development goals, performance, and progress. The execution plan and outcomes of the 2024 Sustainability Development Program are reported to the Board of Directors at least once a year. The Board provides recommendations on strategic content and execution results and urges the management team to make adjustments when necessary. The 2024 Sustainability Development Execution Plan and Results were reported to the Board of Directors on December 24, 2024.	No material difference was found.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>2. Does the company conduct risk assessment on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?</td><td>✓</td><td></td><td>(1) The Company has established the “Guideline of Sustainable Development Practices” which stipulates the performance of relevant risk assessments on key issues based on the principle of the importance of sustainable development and set the relevant risk management policies or strategies after conducting the relevant assessments. This disclosure covers the sustainability performance of major operating bases from January to December 2024, with risk assessment boundaries including the Company's headquarters, Zaoqiao fulfillment center, Zaoqiao sales office, Kaohsiung sales office and four exhibition centers. The company approved the Risk Management Policy and Procedures through a Board resolution on November 4, 2020, establishing it as the highest guiding principle for risk management. The Company will conduct a regular annual risk assessment and formulate risk management policies targeting various risks. It will cover the management targets, management scope and basis, organizational structure and duties, risk measurement mechanism, and risk management implementation, in order to identify, measure, and control the various risks in an effective manner. All risks arising from the business activities shall be controlled within an acceptable scope.

(2) The Company’s risk management scope is as follows:
<table><tr><th>Risk management scope</th><th>Risk management description</th></tr></table></td><td>No material difference was found.</td></tr>
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Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			A. Market Risks: a. Politics and economy: Risk factors related to domestic and foreign politics and economies that may influence the Company's finance and/or business. b. Industry: Risk factors consist of the domestic and foreign industries that have direct and/or indirect relationships with the Company's industry, impacting our finance and/or business. B. Operations (including Strategy) Risks: a. Operations: Risks arising from the change of business and operation models, organizational structure adjustment, product elimination, product and service design, quality management, and business contracts related to major risk management. b. Strategy: Risks that affect the company due to strategic planning, product strategy, competitive strategy, etc. c. Supply chain: Risks arising from supplier quality, pricing, and delivery, corporate social responsibility related issues that may affect the Company. d. Public relations: Risks arising from issues related to public relations, such as brand management, shaping, and maintenance of the business image, etc. that may affect the Company. e. Intellectual property rights: Such as patent application and maintenance, intellectual property right protection, etc.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			f. Product safety: The Company's products comply with the relevant laws and regulations of the government norms, such as: CNS Mark, Green Mark, Water Conservation Mark, load tests, Nano Mark, lead-free certification and inspections, etc., without any hazardous substances. At the same time, in order to ensure the quality of customer service, the "Sanitar Helper" was set up to ensure customer satisfaction through the official website and customer service hotline, from 9 am to 9 pm, 360 days of a year. g. Product liability insurance: In order to transfer the product liability risk, reduce financial losses and improve product safety, the company's products have insured product liability insurance of 32 million, insurance policy number: 1400 words No.132050082. h. Interested parties communication: In order to avoid the disagreement between the interested party and the Company, causing misunderstanding and causing disputes over business strategies or litigation risks, the Company regularly communicates with important stakeholders on various issues every year, and the communication situation of the Company's stakeholders can be found on pp.91-92 of this annual report.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			C. Finance (Investment) Risks a. Risks arising from asset evaluation, credit and solvency, liquidity risks, and accounting policies, that may affect the Company. b. For example, risks due to the intensive concentration of reinvestment subjects, high-risk and high-leverage operations, trading of derivative financial products, financial management, and other short-term investment market price fluctuations, or risks arising from the operation scope management from long-term invested companies caused to the Company. D. Regulatory Compliance Risks a. Compliance with laws and regulations: In order to ensure that all personnel of the Company comply with the relevant laws and regulations, conduct legal inventory and regular education and training for each unit, and appoint professional consultants from Deloitte Taiwan Accounting Firm to assist in the introduction of relevant training on compliance with laws and regulations, and ensure that the new laws and regulations issued from competent authorities can be announced and implemented timely. Relevant norms and requirements for ethical management. b. Strengthen the functions of directors: Assisting directors in continuous training, and providing directors with the latest regulations, institutional developments and policies in a timely manner.	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
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<tr><td></td><td>Insure directors against directors' liability insurance against the risk of litigation or claims.</td></tr>
<tr><td>E. Emerging Risks</td><td>a. Environmental impact and management: In order to cooperate with environmental protection, the Company has established various environmental protection-related systems to effectively reduce the emission of pollution and the impact on the environment, such as greenhouse gas emission management, carbon rights management and energy management. In 2023 and 2024, the Company completed the assessment of the greenhouse gases and water consumption of all units and subsidiaries, and required the underperforming units to propose improvement plans. Regularly review greenhouse gas emissions to check the impacts facing to the Company's operations. Based on the results of the carbon inventory, we will continue to implement carbon reduction measures to effectively reduce emission risks and indirect greenhouse gas emissions caused by electricity use.
b. Occupational safety: In 2024, all of the offices, delivery centers, customer service units and subsidiaries have strengthened traffic safety advocacy and work safety related education and training. Fire drills are regularly held every year to cultivate employees' ability to respond to</td></tr>
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<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
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<tr><td></td><td>emergencies and self-safety management. Add group insurance other than labor insurance for employees, such as employee group insurance.</td></tr>
<tr><td>F. Information Management Risks</td><td>a. Legal Software Management – Ensuring compliance to avoid illegal infringement.
b. Protection Against Cyber Intrusions and Malware – Managing threats such as hacking, viruses, and ransomware.
c. Information Security Measures – Implementing various preventive measures for data protection.
d. Business Continuity Planning – Establishing strategies to ensure uninterrupted operations.</td></tr>
<tr><td>G. Integrity Management Risks</td><td>a. Implementation of Integrity Management Regulations and Related Policies – Ensuring compliance with relevant laws and management guidelines.
b. Internal Controls and Supervisory Oversight – Strengthening integrity management through internal controls and supervision at all levels.
c. Commitment from Senior Management and Company-wide Advocacy – Promoting integrity education with strong leadership commitment and company-wide awareness.
d. Eliminating Conflicts of Interest and Unethical Behavior – Enforcing a culture of integrity by preventing any misconduct or improper benefits among employees</td></tr>
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Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
3. Environmental Issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) The Company shall establish a suitable environmental management system based on the features of the industry, including the following: A. Access security: Day and night access management, and office and factory safety maintenance contract with Taiwan Secom. B. Labor safety promotion and disability injury: There were no work-related deaths in the Company in 2024. During the daily morning meetings in the factory, promotions of safety concepts are conducted to strengthen the staff's ability to identify hazards so that everyone can work safely in a safe workplace. The implementations are registered every day in the notebook. C. Maintenance and inspection of the equipment: a. Forklifts: Dedicated custodians shall check daily the inspection items when they go to work and fill the results in the daily checklist table. b. Generator: It is turned on every Friday to ensure that it is usable when an emergency occurs. c. Hydraulic trucks: Each hydraulic truck has a dedicated custodian who shall conduct regular inspections every two months. The results shall be filled in the equipment maintenance and inspection form. d. Water dispenser: Regular water quality inspection shall be conducted and the filter shall be replaced at the beginning of every month in order to ensure the safety of the drinking water.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			e. Freight elevator: The freight elevator maintenance contractor shall conduct freight elevator maintenance and inspection at the end of every month. f. Computers: Each computer has a dedicated custodian who shall conduct a regular inspection every two months. The results shall be filled in the equipment maintenance and inspection form. D. Safety protection measures for the office in Taipei: a fire drill and an audit inspection shall be conducted every half a year in the office in Taipei. Fire alarms shall be installed at all sections of the office.	
(2) Does the company endeavor to improve energy efficiency and use renewable materials which have low impact on the environment?	✓		(2) The company is committed to the improvement of the utilization efficiency of the different resources and to the usage of recycled materials with lower impacts on the environment. The practices are as the follows: A. To save the raw materials and energy consumed during the production process and to reduce unnecessary external packaging and internal cushioning materials in order to improve the re-utilization efficiency of the resources. B. To launch water-free toilets and a series of water kinetic energy products that have energy-saving, anti-pollution, and water-saving features, which can reduce the impact on the environment. C. To reduce the use of photocopy papers by electronizing parts of the documents of the Company and the official documents. Photocopy papers are recycled for repetitive usage. The internal documents can be transmitted with recycled	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company assess the potential risks and opportunities of climate change for the enterprise now and in the future, and take relevant measures to respond to them?	✓		envelopes. D. To implement trash categorization and set up a recycling station to regularly recycle waste toner cartridges, waste paper, and old computers so that they can be recycled and reprocessed. E. Waste treatment fees and other fees for the recycled items (e.g. alkaline batteries) or containers are paid to the Environmental Protection Bureau every two months. F. A professional cleaning and processing institution is entrusted to conduct quarterly waste removal operations, such as scrap porcelains. G. A solar power generation system is installed in Zaoqiao Logistics Center to increase the use of renewable energy. (3) In order to improve the management of sustainable development, the Company has formed the "Sustainable Development Promotion Team" as a full-time unit through the approval of the Board of Directors. The chairperson serves as the chairman of the committee, and the general manager serves as the vice chairman. The chairperson shall appoint the heads of relevant departments as members, responsible for sustainable development policies, systems or related management guidelines. Annually review the Company's climate change strategies and objectives, manage climate change risks and opportunities, review implementation and discuss future plans, and report regularly to the Board of Directors. According to the TCFD Recommendation Framework published by the Financial Stability Board, the Company assesses the risks and opportunities of climate change and reviews them annually. At the	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			end of 2024, the Company proposed a climate risk assessment and discussed the cost of greenhouse gas emissions, the increase in the cost of raw materials, the increase in production costs due to changes in natural gas prices, and the transition to a low-carbon economy under increasingly stringent environmental regulations. In order to reduce the aforementioned risks, the Company continues to carry out response tests and feasible related measures, proposes product directions based on climate change mitigation, energy management, carbon disclosure information, etc., builds sustainable management capabilities for green energy, environmental protection, health, technology, etc., and cooperates with green buildings to launch related products.	
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and developed policies to reduce carbon emissions, greenhouse gas emissions, water consumption or manage waste?	✓		(4) The Company pays attention to the greenhouse gas emissions, water consumption, and total waste weight in the past two years and formulates policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management. The practices are as the following: A. All employees advocate energy conservation and carbon reduction, and encourage colleagues to turn off the lights at will. B. Since September 2019, in accordance with the e-invoice policy of the Ministry of Finance, papers used to print invoices with the electronic computers were reduced. About 90,000 pieces of electronic computer invoice paper can be saved every year. C. The company's air conditioners are maintained at a fixed temperature and are used together with circulation ventilators, which can reduce the power consumption.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			D. The Management Department conducts irregular promotions and implementations of the turning-off of the ACs, lighting, and electronic appliances when not using them. E. The Vietnam Caesar Sanitary Wares Joint Stock Company continues promoting the rectification of hydropower and oil gas, and the gas equipment has been replaced with a natural gas system to reduce the burden on the environment. F. Climbing the stairs is encouraged to replace the elevators, which can reduce power consumption. G. The Company's energy saving and carbon reduction management plan aims to reduce 5% of paper usage, 2% of carbon emission, and 2% of power consumption within five years since 2020. The headquarters replaced the entire outdoor and indoor air conditioning system in 2024. As of December 2024, a total of 20,413 kWh of electricity has been saved. Based on the Company's statistics, the greenhouse gas emission in the past two years was 215.2127 ton CO2e in 2023 and 226.9275 ton CO2e in 2024; the water consumption in the past two years was 1,843,000 liters in 2023 and 1,720,000 liters in 2024; the total weight of waste ceramics in the past two years was 72,700 KG in 2023 and 53,590 KG in 2024. H. The Company does not have a production factory in Taiwan, but still cooperates with the social and environmental protection policy and requires all colleagues to implement various water-saving, energy-saving and carbon-saving measures.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
4. Social Issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company's "Human Rights Protection Policy" complies with the internationally recognized human rights standards, such as The United Nations Global Compact, the United Nations' Universal Declaration of Human Rights, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. Based on them, the Company formulates and implements various policies to protect and guarantee human rights. Relevant management policies and procedures, such as work rules, management methods for attendance and absences, sexual harassment, and preventive methods have been formulated. The legal rights and benefits of the employees are guaranteed, whereas the basic labor human rights principles are respected, with the absence of any endangerment of laborers' basic rights.	No material difference was found.
(2) Has the company established and implemented reasonable employee benefits (including pay, leave and other benefits, etc.) and appropriately reflected operational performance or results in employee compensation?	✓		(2) The Company has established and implemented appropriate employee welfare measures (including salary, leaves, and others), which are stated in the following: A. The Company has established employee attendance and leave management based on the Labor Standard Act which explicitly stipulates the working hour standards and the salary payment rules of the different types of leaves. Off-days, holidays, national holidays, and special holidays regulated by the Labor Standards Act are all included within the salary payment scope. B. The assistance and welfares offered to the employees based on the Labor Standard Act and Act of Gender Equality in Employment are stated in the following:	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			a. Maternity leave, pre-maternity leaves, and family care leaves are provided. b. Approval for the leaves without pay for childcare. c. Discount contract signed with childcare institutions offered for the staff. d. The Employee Welfare Committee of our Company offers holiday allowances, birthday bonuses, marriage allowances, maternity allowances, first home purchase allowances, funeral allowances, injury and sickness allowances, child education grants, annual employee trips, and monthly birthdays parties. C. The Company makes appropriate reflections of the operating performance or results on the employees' payment with the following practices: a. The establishment of a Salary and Compensation Committee that sets and reviews regularly the performance assessment of the directors and supervisors and review periodically the policies, systems, standards, and structures of the salaries and remuneration. b. The establishment of "Salary Management Measure" and "Regulations of the Rewards and Punishments for the Employees", policies related to the employees' performance evaluation, and clear and explicit reward and punishment system. D. To attract and retain the outstanding talents and to share the operating results of the Company with the employees, the Company has a comprehensive salary structure that includes	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			the monthly base salary, monthly performance bonus, and year-end bonus. Every year, a budget is allocated to make annual promotions and adjust the salaries based on the employees' performance. Based on the percentage of the operating performance, a performance goal bonus is given every month. Based on the Company's business performance and the employee's performance, the year-end bonus is given, with a minimum of one month. According to Article 20 of the Company's "Articles of Association", no less than 2% of the Company's annual net profit before tax before deducting employee and directors remuneration, and no more than 2% for the directors. However, when the Company still has accumulated losses (including adjustments to the amount of undistributed surplus), the budget shall be reserved as compensation in advance. E. To periodically promote continuing training and other advocacies, which shall be integrated with the employee performance evaluation system, in order to facilitate the implementation of a clear and effective reward and punishment system? F. In order to achieve diversity and equality in the workplace, both men and women have equal pay conditions and equal promotion opportunities. There is no gender difference in the company's employees, and more than 20% of senior executives are women.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The Company is already offering the employees healthy and safe workplaces with regular safety and health education for the employees. The operations are as the follows: A. Disinfection of the various workplaces. B. Regular inspection of the firefighting equipment and sanitation equipment. C. A centralized AC system is installed in the office with sufficient lighting and regular elevator maintenance. D. Security guards are hired to control the access of personnel. E. The employees are insured with the Labor Insurance and National Health Insurance as in accordance with the laws. Additional employer's accident liability insurance, employer's compensation liability insurance, and group insurance are also provided. F.Being equal before the laws, the Company has formulated measures to prevent sexual harassment and disciplinary measures. Explicit regulations are set for the investigation and trials for the accused or the suspects, providing the opportunity of defense of the parties. The investigation shall be conducted in a fair manner, and appropriate disciplinary actions shall be given based on the evidence and "Regulations of the Rewards and Punishments for the Employees". G. Personal data protection policy and management measures are established. Unless it is for a specific purpose, the Company shall not collect, process, and use the personal data. H. Conduct regular health check-ups for employees. I. The Company implemented occupational safety and health education for employees. In 2024, a total of 4 occupational incidents were recorded, all of which were commuting-related traffic accidents.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(4) Does the company provide its employees with career development and training sessions?	✓		(4) To establish an effective career development and training plan, the Company uses the following methods: A. To create a good environment for the career development of the employees, the Company has set a "Personnel Management Regulations and Measures" that evaluates the performance and promotion based on the work performance and development potentials, regardless the race, class, language, mind, religion, political party, nationality origin, place of birth, gender, sexual orientation, age, marriage, appearance, physical and mental disabilities, constellation, blood type, and previous labor union membership. B. In compliance with the Employment Service Act, the "Personnel Management Regulations and Measures" is established to implement employee recruitment criteria based on their professionalism, talents, ethics, and work experiences, offering everyone fair competition for employment. C. Plans are made based on long-term talent cultivation and on the needs of the departments and of the personnel. Employees' competitiveness, professional skills, knowledge, and attitude are enhanced via internal and external educational training. Subsidies for educational training can be applied so that the employees can grow together with the Company's performance. D. Good promotional channels are given. The Company conducts annual evaluations and performance assessments on a regular basis, promoting outstanding talents to become junior to senior management of the Company. E. Succession plans are established for the Board members and important management and shall be disclosed in the Investor Section of the Company's official website.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(5) Does the Company comply with relevant regulations and international standards on customer health and safety, customer privacy, marketing and labeling of its products and services, and establish relevant policies and complaint procedures for the protection of consumers or customers?	✓		(5) The company complies with relevant laws and regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, which are as listed in the following: A. CNS mark. B. Water-saving mark. C. Golden mark for water-saving. D. Anti-fouling mark. E. Load stamp. F. Nano-label. G. Eco-friendly mark. H. Japan's SIAA antibacterial certification. I. Lead-free faucet. J. Energy efficiency grading. K. Code for the design of barrier-free facilities in buildings. L. The Commodity Inspection Act M. Commodity Labeling Act The Company has formulated policies and complaints procedures related to the protection of consumers' rights and benefits. They are stated as in the following: A. All product information is completely disclosed on the Company's official website so that the customers can read it at any time. B. "Customer Complaint Measures" is established, providing a comprehensive sales service, review, and enhancement procedures in order to avoid any repetition of the complaint. C. A Customer Service Department is established for the customers to make service consultation or to propose any need or inquiry. D. A free 0800 hotline is set for the consumers, and dedicated staff is assigned to handle all related matters. E. All products are insured with product liability insurance.	No material difference was found. No material

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(6) Does the company have a supplier management policy that requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health or labor human rights, and how is this implemented?	✓		(6) The Company has established “Supplier Management Measures”, which is the basis for the regular and/or irregular review of the suppliers. The items of the assessment standard shall include the corporate social responsibility policies. If the supplier is involved with the violation of its corporate social responsibility policies, causing significant impact to the environment and/or society, the Company may terminate the contract(s) at any time. Before having any trading with the suppliers, the Company shall make an appropriate evaluation of the suppliers. The items of the assessment standard include: A. Any records of environmental impact. B. Ethical suppliers are prioritized. C. Suppliers must have "company license, factory registration certificate" or other relevant legal documents issued by the government or environmental protection, safety, and health related certification materials. D. Comply with relevant labor laws and regulations, and protect the legitimate rights and interests of internal employees. Management during the transaction periods: For regular or irregular review of the suppliers, the implementation content is as follows: Regular (quarterly): To assess the supplier's good after-sales service, reasonable price, stable quality and no bad delivery records. Irregularly: a. If the quality of the supplier's supply, delivery time, and related issues related to violation of its corporate social responsibility policy, a visit to the factory will be arranged to understand the	difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
			problem and discuss solutions together. b. Require suppliers to meet the requirements of the company in terms of labor rights management system, health and occupational safety environment, and review the supplier's courses on improving environmental protection, safety and health performance in early December 2024. Occupational Safety and Health Manager Safety and Health Education Training (1 personnel -21 hours of training , 3 personnel -18 hours of training total 39 hours), Forklift Operator Safety and Health On-the-Job Education and Training and First Aid Personnel Safety and Health Education Training (1 personnel -18 hours of training), etc. Implementation status in 2024: the above-mentioned execution operations have been completed and complied with the supplier management method of the company.	
5. Does the company make reference to international standards or guidelines for the preparation of reports, such as ESG report, which disclose non-financial information about the company?	✓		The Company’s ESG Report was finalized in August 2024.	Although it was not mandatory for the Company to prepare an ESG Report, the Company proactively published its second ESG Report in 2024.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
6. If the Company has established the sustainable development principles based on "the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the principles and the implementation: The Company has established a "Code of Sustainable Development" and has implemented it accordingly.				
7. Other important information to facilitate better understanding of the company's sustainable development practices: (1) Social welfare. The Company participated in charitable donations and philanthropic activities. In 2024, the total amount of related donations was approximately NT$1,530,000, with the following being some of the beneficiaries: New Taipei Municipal Er Chong Junior High School, Tunghai University Endowment Fund for Academic Advancement, The Society of Wilderness, New Taipei City Green Home Rotary Club, Kaohsiung Architect Business Association,etc. Additionally, the Company donated a batch of bathroom equipment to the Good Liver Foundation. (2) Stakeholder communication channels and response methods. The Company has established communication channels with interested parties and set up a stakeholder area on the Company's website to publicize various stakeholder contact information and e-mails, and to respond appropriately to important CSR issues of concern to stakeholders. The 2024 communication situation between the Company's and the interested parties has been reported to the Board of Directors on December 24, 2024.				

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
</table>

The Company's stakeholder communication status is disclosed as follows:

Interested parties	Prioritized issues	Communication channels, responses, and communication frequency
Shareholders and investors	A. Corporate governance B. Sustainable development strategies C. Risk management D. Participation of shareholders E. Operation performance	A. Suitable contact window(s) for the investors and relevant interested parties, and exclusive e-mail of the spokesperson, acting spokesperson, and investors. B. Disclosure of the financial information on the Public Information Post System and the Company's official website on time in accordance with the competent authority's laws and regulations. C. At least two legal person briefings per year with an interval of more than three months in between, offering sufficient financial information for the investors. D. Contact window: Spokesperson (e-mail:tw_spokesman@caesar.com.tw)
Employees	A. Employee welfare B. Employee evaluation mechanism C. Operation performance D. Employee-management relationship	A. Announcement via the internal website or internal e-mail: Announcement of the various employee welfare (health check-us, group insurance, etc.), welfare committee information, important operation information, educational training information, annual performance management operations, etc. on an irregular basis. B. The Company's employees can contact the supervisors or General Manager directly via e-mail, phone call, or in person. An employee complaint email is provided. C. A labor-management meeting is convened every three months in order to promote and coordinate labor-management relationship, achieve labor-management cooperation, and prevent various labor problems. D. Contact window: Ms. Chen, Management Department (e-mail:zoe_chen@caesar.com.tw)

Evaluation Item		Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
		Yes	No	Summary	
Customers	A. Product quality B. After-sales services			A. A dealer meeting is held every half a year to establish a good interactive relationship with the dealers. Product and consumers' feedbacks are collected in the dealer meeting. B. The Sales Department establishes a timely feedback mechanism of the customers and collects all feedbacks. C. Diversified communication channels and customer satisfaction survey on the website are provided. D. "Sanitar Helper" service for repair is provided to the consumers 360 days, from 9 AM to 9PM. As long as the defect is not caused by human factors, Sanitar Helper will provide on-site service during the warranty term of the product. E. Contact window: Mr. Liu, Customer Service Department (e-mail:kkboymax@caesar.com.tw) Customer service hotline 0800-001-885	
Suppliers	A. Supplier management B. Stable supply			A. Following our company's "Supplier Management Procedures," we assess supplier performance quarterly and hold meetings or conduct factory visits with suppliers on an irregular basis to maintain two-way communication. B. Contact window: Ms. Huang, Material Department (e-mail:mei@caesar.com.tw)	

Climate-Related Information of TWSE/TPEx Listed Company

1. Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	To implement sustainability efforts, the company approved the establishment of the Sustainable Development Committee under the Board of Directors through a resolution passed on November 6, 2024. This committee is responsible for promoting corporate governance, developing a sustainable environment, maintaining social welfare, and fulfilling other corporate social responsibilities. It is composed of the Chairman, the General Manager, and Independent Directors, and holds additional meetings as needed to discuss significant issues, ensuring the effective implementation of corporate governance, environmental sustainability, social welfare, and enhanced disclosure of corporate social responsibility (CSR) information. Furthermore, considering the development trends of sustainability issues both domestically and internationally, the relevance to the company's core business, and the impact of business operations on stakeholders, the company has established sustainability development policies, systems, management guidelines, and specific implementation plans. In 2024, the Sustainable Development Committee met once, primarily to regularly review the company's CSR, corporate governance, and sustainability development goals, performance, and progress. The 2024 Sustainable Development Execution Plan and Results are scheduled to be reported to the Board of Directors on December 24, 2024.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The company implements the identification of climate change risks and opportunities, referring to the guidelines issued by Climate-related Financial Disclosure (TCFD), domestic and foreign climate change research reports, and climate risk assessment reports issued by financial peers, to collect climate change-related risks and opportunities, and target 16 risks and 11 opportunities were identified, and the climate-related risks and opportunities that have an impact on the company's business are reviewed as follows:

3. Describe the financial impact of extreme weather events and transformative actions.	Climate-related risks and financial impacts: Transition risks

Climate-related risks and financial impacts: Transition risks

No	Risk	Influence	Financial Impact	Adaptation and Action Plan
1	Local Law	medium term	Increased costs of carbon abatement; Fines may apply.	Always pay attention to relevant regulations and prepare in advance to make your company comply with regulations.
2	Changes in market demand	short term	Product sales are poor and profits are reduced	We will develop energy-saving and carbon-reducing products in advance according to market demand, and gradually replace old products that consume energy and water.
3	Impairment of goodwill	short term	Slow-selling products produce inventory, and if they need to be destroyed, costs will be incurred.	Hold promotions to reduce losses. Develop products that meet market demand and have stable quality to offset the loss of products that are removed from the shelves.

Climate-related risks and financial impacts: Physical risks

No	Risk	Influence	Financial Impact	Adaptation and Action Plan
1	Extreme weather events such as typhoons and floods.	short term	1. Need to prepare an insurance premium budget. 2. Production capacity and maintenance are affected. 3. Loss of machinery and factory buildings.	Plan complete insurance and reduce insurance costs. The equipment should be installed with waterproof and windproof measures.
2	Changes in rainfall (water) patterns.	medium term	1. Lack of water. 2. Damage to machinery due to flooding.	Save water and plan water storage facilities for emergencies. Purchase sandbags, water pumps and other equipment.
3	Average annual temperature rise.	long term	1. Increase equipment purchase expenditures. 2. Increase in electricity bills.	To adjust the air conditioner temperature, use a fan. Replacing the air conditioning system of the head office will help save energy.

<table>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>The company has established a complete risk management organizational structure, policies and management regulations. The risk scope covers operational risks, legal and compliance risks, and environmental risks (including climate risks). Considerations include environmental protection (E, Environmental) and social responsibility. (S, Social) and corporate governance (G, Governance). The company's risk management policy has included environmental risks (including climate risks), which means that the company regards climate change as a strategic business risk and identifies, measures and Management processes are integrated into the company's overall risk procedures. The company's climate risk management process is mainly divided into four major steps, from risk identification, measurement, monitoring to reporting.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>The sustainable development promotion team evaluates the impact of climate disasters that may occur at 22.1℃~22.3℃ based on the RCP climate scenario selected by the company, and then uses the "Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform" (https://tccip. ncdr.nat.gov.tw/) and "3D Disaster Potential Map" (https://dmap.ncdr.nat.gov.tw/1109/map/) and other public climate model/chart websites, the simulated climate scenario is RCP2 . 6~RCP8.5, it is estimated that the increase in average rainfall and maximum daily rainfall in 2050 does not exceed the disaster standard of the "3D Disaster Potential Map": 650 mm of rainfall in 24 hours, so there is no immediate flooding for our company There are still water risks, but natural disasters such as typhoons may still cause production shutdowns, transportation difficulties, supply chain interruptions, and personnel absences.
▼IPCC RCP climate scenario types and related indicators adopted by our company.
<table>
<tr><td>scenario</td><td>RCP 2.6</td><td>RCP 8.5</td></tr>
<tr><td>Amount of warming</td><td>~2 °C</td><td>~2.2 °C</td></tr>
<tr><td>Climate related data indicators</td><td>daily maximum rainfall
257.4 mm
average annual temperature 22.1 °C</td><td>daily maximum rainfall
283.4 mm
average annual temperature 22.3 °C</td></tr>
</table></td></tr>
</table>

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Our company has carried out greenhouse gas inventories in Taiwan and Vietnam in 2023. We will accomplish again Conducted greenhouse gas inventories in Taiwan and Vietnam in 2024. The head office had planned to replace the headquarters air-conditioning system in 2023, which will be beneficial to overall energy saving and carbon reduction. In the second half of 2024, based on the existing greenhouse gas inventory, the company will discuss the indicators and goals for managing physical risks and transformation risks with the sustainable development promotion group, which will also be disclosed in the annual report in 2025. The company's transformation plan in response to climate management and other completed and public information are mainly disclosed in the first version of the company's sustainability report for further review. (Website: https//www.caesar.com.tw/page/esgreport)
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company did not use internal carbon pricing as a planning tool in 2024.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company completed its second greenhouse gas inventory in 2024. Information such as the scope of greenhouse gas emissions, planning schedule, and annual achievement progress has not yet been disclosed. In 2024 the Company also had no plans to use carbon offsets or renewable energy certificates (RECs) to achieve relevant goals. Future planning may require further consideration based on actual needs.
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	In 2023 and 2024, the Company has completed the greenhouse gas inventory in Taiwan ahead of schedule and in compliance with regulatory requirements, and will follow up on the announcement schedule to comply with regulatory requirements. There has been no confirmation of greenhouse gas inventory data in 2024. It will be carried out in accordance with the schedule required by the competent authority.

1-1 Greenhouse Gas Inventory and Assurance Status in the Latest Two Years:

1-1-1 Status of Greenhouse Gas Inventory

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/million yuan) and data coverage of greenhouse gases in the past two years.
Our company commissioned an external professional company to conduct a greenhouse gas inventory in 2022. The resulting greenhouse gas emissions for the first time in Taiwan by a professional greenhouse gas consulting company are 419.25 (metric tons CO2e), and the intensity is 0.157 (metric tons CO2e/million yuan). In 2023, The resulting greenhouse gas emissions for the first time in Taiwan by a professional greenhouse gas consulting company are 423.6(metric tons CO2e), and the intensity is 0.169 (metric tons CO2e/million yuan).The data covers the calculation area for the company's base in Taiwan. In 2024, total greenhouse gas (GHG) emissions from company sites located in Taiwan amounted to 424.176 metric tons of CO_2 equivalent (tCO_2e). The carbon emission intensity was 0.152 tCO_2e per million NTD. The data covers only the sites within Taiwan.

1-1-2 Status of Greenhouse Gas Assurance

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.
According to the "Sustainable Development Roadmap for Listed Overseas Companies (hereinafter referred to as the Sustainable Roadmap) Time Plan", the company is a listed company with a capital of less than NT$5 billion. Therefore, the confirmation period required by regulations should be completed in 2027. The company expects to complete the confirmation ahead of schedule in 2026. As of the publication date of the 2023 annual report, the Company is still undergoing selection by external assurance agencies, so it will not conduct greenhouse gas assurance work in advance in 2023 and 2024.

1-2 Greenhouse Gas Reduction Goals, Strategies and Specific Action Plans:

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
The company will only announce the first version of the sustainability report in December 2023. Regarding the future overall greenhouse gas reduction targets and strategies and specific actions of individual companies and subsidiaries, the complete information will be released in line with the regulatory announcement schedule. It will be disclosed in the subsequent publication of the sustainability report.

(6) Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company establish the ethical corporate management policies approved by the Board and declare the policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		(1) The Company has established the "Ethical Operating Procedures and Conduct Guideline" which was approved by the Board. It is explicitly stated in this operating procedures and conduct guideline that the Board and the management shall proactively implement the ethics policies and shall execute them in internal management and external business activities. The ethical operation policies shall be explicitly disclosed in the Company's official website and the annual report, allowing the suppliers, customers, and other business-related institutions and/or personnel can clearly understand the Company's ethical operation ideals. It has specific regulations for the Company's employees when executing their operations. When signing contracts, whether by the Company or its subsidiaries, it shall be based on the principles of ethics and mutual benefits. The contract shall be fulfilled proactively.	No material difference was found.
(2) Does the company establish assessment mechanism for the risk of unethical conducts, regularly analyze and assess the operating activities with higher risk of	✓		(2) The Company has assigned the "Sustainable Development Promotion Team" to be the unit in charge (hereinafter referred to as the "Unit") under the Board of Directors. Sufficient resources and suitable staff shall be allocated to conduct the revision, execution, explanation, and consultation of the "Ethical Operating Procedures and Conduct Guideline", as well as the archiving of the reports	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
unethical conducts in its business scope, and establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?			and other supervisions. Preventive measures for the following behaviors and conducts shall be covered: 1. Bribery and bribery acceptance. 2. Illegal political contributions. 3. Inappropriate charity donation or sponsor. 4. Provision or acceptance of inappropriate gifts, treatment, or other inappropriate benefits. 5. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engagement in acts of unfair competition. 7. Direct or indirect damages of the products and services caused to the rights, health and safety of consumers or other interested parties in the stage of R&D, procurement, manufacturing, supply, or sales.	
(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		(3) In addition to the establishment of the "Ethical Operating Procedures and Conduct Guideline", an audit mechanism is set by the internal audit unit to establish an effective internal control system. The Company's dedicated unit shall prepare a report of ethical operations every year and submit it to the Board for review and modification in order to prevent business activities with risks of unethical behavior.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) Before any business activities with important customers or suppliers, an assessment is needed on the first hand. The engagement of any business activities shall be conducted in a fair and transparent manner, and contracts shall be complied with. The rights and obligations of both parties shall be stated in the contract in order to prevent any unethical behaviors or conducts.	No material difference was found.
(2) Does the company have a dedicated unit under the Board of Directors to promote ethical business practices and report regularly (at least once a year) to the Board of Directors on its ethical business policies and programs to prevent unethical practices and supervise their implementation?	✓		(2) The responsible unit for the promotion of ethical operations is the Finance Department. It is in charge of the formulation and revision of the ethical operation guideline and the supervision of the implementation of ethical operation policies. It shall report the execution status to the Board on a regular basis every year. The execution status of 2024 was reported to the Board on December 24, 2024.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels with implementation?	✓		(3) It is explicitly indicated in the "Ethical Operating Procedures and Conduct Guideline", the "Board Meeting Rules", and the "Ethical Conducts and Behaviors Guideline for the Directors and Managers" the rules of avoidance and description when there is a conflict of interest of the directors, managers, and other interested parties.	No material difference was found.
(4) Has the company put in place an effective accounting system and internal control system for the implementation of ethnical management, and has the internal audit unit prepared an audit plan based on the assessment results of the risk of unethical conduct, and checked compliance with the unethical conduct prevention program accordingly, or appointed a CPA to carry out the audit?	✓		(4) The Company shall establish an effective accounting system and internal control system based on the regulations stipulated by the competent authority and shall make appropriate reviews and revisions on a regular basis depending on the necessities in order to ensure the effectiveness of the system design and continuous operations. The audit unit shall formulate audit plans based on the self-assessment of the internal audits and internal controls and shall check the compliance with the plan to prevent unethical behaviors. An audit report shall be prepared and submitted to the Board with an internal control system statement.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) Regarding the 2024 internal educational training of ethical operations, the General Manager conducted advocacy training to company's supervisors and colleagues, with a total of 15 attendees and 2 hours.	No material difference was found.
3. Operation of Company's Integrity Channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) To implement ethical operation policies and to prevent any unethical behaviors, the Company has established a "whistle-blower system" that encourages internal and external personnel to report unethical or inappropriate behaviors. The reporting and reward system is explicitly stated in the "Ethical Operating Procedures and Conduct Guideline". Exclusive personnel will be assigned to the reported subject and shall notify the whistleblowing information to the Audit Committee. Reports made in the following ways: TEL for Reporting: 02-8512-3712 Reporting e-mail: tw_spokesman@caesar.com.tw Mail address: 7th Floor, No. 111-8, Xingde Road, Sanchong District, New Taipei City, Reporting Mailbox, "Sustainable Development Promotion Team" of Sanitar Co., Ltd.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.
	Yes	No	Summary	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		The Company has also established an Interested Party Section in the Company's official website where complaint and response channels for different interested parties can be found. (2) In the "Ethical Operating Procedures and Conduct Guideline", the Company has established the standard operating procedures of the investigation when receiving a report, the subsequent measure after the investigation is completed, and the relevant confidentiality mechanism. An appropriate report channel is provided, and the reporter's identity and the content shall be kept confidential.	No material difference was found. No material difference was found.
(3) Does the company provide proper whistleblower protection?	✓		(3) The Company shall keep the reporter's identity and the subject being reported confidential, as well as the content of the reporting, during the investigation period. It shall guarantee and protect the reporter not to be mistreated due to the action.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		An "Investor Section" is established on the Company's official website. The content of the ethical operations and other relevant information are disclosed. Corporate governance information can also be found in the Public Information Post System.	No material difference was found.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the causes of the differences.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">5. If the company has its own code of ethics in accordance with the "Code of Conduct for Listed Companies", please describe the differences between its operation and the code.
The Company has established and implemented the "Procedures and Conduct Guidelines for Integrity Management" and the operation is not different from the established guidelines.</td></tr>
<tr><td colspan="5">6. Other important information to help understand the company's integrity operation: (e.g., the company reviews and amends its code of conduct for integrity management, etc.)
(1) The Company strictly follows the Company Act, the Securities and Exchange Act, the regulations related to listing on the stock exchange, or other laws and regulations related to business practices as the basis for honest management.
(2) The "Rules of Procedures of the Board of Directors" of the Company provides for a system of recusal of directors' interests. Any person who has an interest in a proposal listed by the Board of Directors or the legal entity he/she represents, which may be harmful to the Company's interests, may present his/her opinion and answer questions, but may not join the discussion or vote.
(3) The Company has a "Code of Ethical Conduct for Directors and Managers" to guide the ethical conduct of the Company's directors and managers and to enhance the understanding of the Company's ethical standards among the Company's stakeholders.
(4) The Company's "Procedures for the Prevention of Insider Trading" and “Procedures for Handling Material Inside Information” stipulate that directors, supervisors, managers and employees shall not disclose material internal information known to them to others, nor shall they ask for or collect material internal information not related to their duties from those who know material internal information of the Company, nor shall they disclose to others material internal information of the Company not known to them for the purpose of conducting business.</td></tr>
</table>

(7) Other important information that may be disclosed to enhance understanding of corporate governance operations.

1. The Status of the Directors' Continuing Education Related to Corporate Governance in 2024.

Job title	Name	Date	Organizer	Course	Hours
Chairman	HSIAO, CHUN HSIANG	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.11.06		Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
Director	TSAI, MING HSI	2024.11.06	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
		2024.11.13	Securities and Futures Institute	Board Directors, Supervisors, and Corporate Governance Officers Training Series – Challenges and Opportunities on the Path to Sustainable Development and Introduction to Greenhouse Gas Inventory	3.0
Director	CHANG, YI HSIN	2024.07.18	Accounting Research and Development Foundation	How to Analyze Key Corporate Financial Information to Strengthen Crisis Early-Warning Capabilities	6.0
		2024.09.02		Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.11.06		Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
Director	LIN,KUO HUA	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.11.06		Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
Independent Director	HO, JENG WEI	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.09.05	CPA Associations R.O.C. (TAIWAN)	How to Establish an Effective Anti-Money Laundering and Counter-Terrorism Financing System	3.0

Independent Director	CHENG, SHENG IN	2024.05.08	Taiwan Corporate Governance Association	Business Operations and Crisis Management	3.0
		2024.08.13	Independent Director Association Taiwan	Latest Developments in Sustainable Governance Issues and Directors' Responsibilities	3.0
		2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.10.28		Strengthening Internal Control Defense Functions and Board Operation Mechanisms with Analysis of Fraud Cases	6.0
		2024.11.06		Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
		2024.12.20	Securities and Futures Institute	NVIDIA's Trillion-Dollar Miracle: New Thinking Behind the Semiconductor Industry Revolution in Artificial Intelligence	3.0
				Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Judical Cases and Legal Liabilities	3.0
Independent Director	LIN,JING	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.10.18	Securities and Futures Institute	Board Directors, Supervisors, and Corporate Governance Officers Training Series – Introduction to Corporate Control Disputes and the Commercial Event Trial Law	3.0
Independent Director	CHEN, HSIEN CHIEN	2024.08.08	Securities and Futures Institute	Board Directors, Supervisors, and Corporate Governance Officers Training Series – NVIDIA's Trillion-Dollar Miracle: New Thinking Behind the Semiconductor Industry Revolution in Artificial Intelligence	3.0
		2024.10.18	Accounting Research and Development Foundation	The Real Value Created by Circular and Low-Carbon Innovations - Understanding the Circular Economy and Governance	3.0

2. The Status of the Senior Corporate Governance Officer's Continuing Education Related to Corporate Governance in 2024.

Jon title	Name	Date	Organizer	Course	Hours
Corporate Governance Officer	CHEN, YU CHUAN	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.10.18	Securities and Futures Institute	2024 Anti-Insider Trading Awareness Seminar	3.0
		2024.11.06	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
		2024.11.22	Securities and Futures Institute	Insider Trading Compliance and Legal Awareness Briefing Session	3.0

3. The Status of the Managerial Officers' Continuing Education Related to Corporate Governance in 2024.

Jon title	Name	Date	Organizer	Course	Hours
General Manager	CHEN, WEI CHIH	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.11.06		Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
Deputy General Manager	LIU, MING CHIA	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
Deputy General Manager	HUANG, JUNG JEN	2024.09.02	Accounting Research and Development Foundation	Corporate ESG: Environment, Social, and Governance – Analysis of Relevant Court Cases and Legal Liabilities	3.0
		2024.11.06		Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0
Principal Accounting Officer	CHEN, CHAO CHIH	2024.11.06	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Understanding ESG – Environment, Social, and Governance	3.0

(8) Internal control system implementation status

1. Statement of Internal Control

Sanitar Co., Ltd.
Statement of Internal Control System

Date: March 4, 2025

Based on the results of our self-assessment, we hereby declare that our internal control system for the year 2024 is as follows:

1. The Company recognizes that it is the responsibility of the Board of Directors and the Manager to establish, implement and maintain an internal control system, and that the Company has established such a system. The purpose of the system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and relevant laws and regulations.

2. No matter how well designed, an effective internal control system can only provide reasonable assurance that the above three objectives will be achieved; moreover, due to changes in circumstances and conditions, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-supervising mechanism and once deficiencies are identified, the Company will take corrective action.

3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the judgment items of the effectiveness of the internal control system stipulated in the "Guidelines Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Guidelines"). The judgment items of the internal control system adopted in the "Guidelines" are divided into five components based on the management control process: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervising operations. Each component includes a number of items. Please refer to the "Guidelines for Handling" for the aforementioned items.

4. The Company has adopted the above internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.

5. Based on the results of the preceding evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the extent to which operational

effectiveness and efficiency objectives are achieved, and the reporting of such internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective, and that it can reasonably ensure The Company's internal control system is designed and implemented in a manner that reasonably ensures the achievement of the above objectives.

6. This statement will become the main content of the Company's annual report and public statement, and will be made public. If any of the above-mentioned contents are disclosed in a false or concealed manner, the Company will be subject to legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

7. This statement was approved by the Board of Directors' Meeting held on March 4, 2024. Of the 8 directors present, 0 held opposing views and the rest agreed to the contents of this statement.

Sanitar Co., Ltd.

Chairperson: HSIAO, CHUN-HSIANG
Signature

General Manager: CHEN, WEI-CHIH
Signature

2. If an accountant is engaged to review the internal control system, the accountant's review report shall be disclosed.

Not applicable.

(9) Significant resolutions of the shareholders' meeting and the board of directors for the latest year and up to the date of printing of the annual report.

1. Significant Resolutions of Shareholders' Meeting and Implementation

Meeting Date	Cause	Important Resolutions	Execution
2024.05.29	**Approvals:** 1. 2023 business report and financial statements	All proposals were approved by the shareholders present.	1. All relevant forms and tables were submitted to the competent authority in accordance with the Company Act and other relevant laws for revision and announcement declaration.
	2. 2023 distribution of earnings		2. July 9, 2024 is set as the dividend base date and July 26, 2024 as the dividend payment date (due to the impact of a typhoon, the payment will be postponed to the next business day). A cash dividend of NT$1.8 per share will be distributed.
	Discussions: 1. Amendments to the provisions of “Articles of Incorporation”.	All proposals were approved by the shareholders present.	1. Approved for registration by the Ministry of Economic Affairs on July 15, 2024, and disclosed on the company’s website.
	2. Amendments to the “Rules of Procedure for Shareholders Meetings”.	All proposals were approved by the shareholders present.	2. Announced on May 29, 2024, on the Market Observation Post System and the company’s website, and processed in accordance with the revised procedures.

	Elections: 1. Election of new directors.	The list of elected candidates is as follows: Directors (4 seats): HSIAO, CHUN-HSIANG, TSAI, MING-HSI, CHANG, YI-HSIN, LIN, KUO-HUA. Independent Directors (4 seats): HO, JENG-WEI, CHENG, SHENG-IN, LIN, JING, CHEN, HSIEN-CHIEN.	1. Announced on May 29, 2024, on the Market Observation Post System and the company's website.
	Other proposals: 1. Discussion to approve the lifting of non-competition restriction for new directors.	All proposals were approved by the shareholders present, lifting the restriction on directors HSIAO, CHUN-HSIANG and CHANG, YI-HSIN from engaging in business activities that compete with their respective roles at the company.	1. Announced on May 29, 2024, on the Market Observation Post System and the company's website, and is in accordance with the resolution passed by the shareholders' meeting.

2. Important Resolutions of the Board of Directors

Meeting date	Motion	Important resolutions
2024.02.26	1. Revision of the provisions of the “The Board of Directors' Remuneration Rules”. 2. Nominated list of directors and independent directors. 3. Revision of the provisions of “Manager's Remuneration Rules”. 4. 2023 remuneration distribution for the employees, and directors. 5. Review of the 2023 remuneration payment of the directors. 6. Review of the 2023 remuneration payment for the employees. 7. Review of the 2023 operating bonus payment. 8. 2023 business report and financial report. 9. 2023 surplus distribution.	Motion 2: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the

Meeting date	Motion	Important resolutions
	10.Revision of the provisions of "Rules of Procedure for Board of Directors". 11.Revision of the provisions of the "Rules of Procedure for Shareholders Meetings". 12.Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2023. 13.Evaluation of CPA's independency and eligibility. 14.Discussion on the Company's and its subsidiaries' Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises. 15.Revision of the provisions of "Internal Control System". 16.Discussion on the material transaction between the Company and its shareholders for 2023. 17.Re-election of directors. 18.Formulation of the nomination period, places, and receiving point of the nominees of directors and independent directors. 19.Discussion to the lifting of the non-competition restriction for new directors. 20.Convention of 2024 shareholders' general meeting. 21.Discussion on the material transaction between the Company and its shareholders for 2024.	proposals without objection after being consulted by the Chairman. Motion 5: Except for Director HSIAO, CHUN-HSIANG, Director CHANG, YUNG NAN, Director TSAI, MING-HSI, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 7: Except for Director HSIAO, CHUN-HSIANG, whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2024.05.08	1. Endorsement guarantee for POLARC CO., LTD. (subsidiary). 2. Financial institutions' credit limit. 3. Review of the financial report and the consolidated financial statement of Q1, 2024. 4. Acquisition and Disposal of Securities. 5. Revision of the provisions of "Rules Governing Financial and Business Matters between the Company and its Affiliated Enterprises." 6. Revision of the provisions of "Procedures for the Prevention of Insider Trading". 7. Property Lease of Kaohsiung Warehouse.	As consulted by the Chairman, all proposals were approved by the directors present without objection.

Meeting date	Motion	Important resolutions
2024.05.29	1. Re-election of the chairman.	Motion 1: The appointment of HSIAO, CHUN-HSIANG as a Chairman was approved by the directors present.
2024.06.11	1. Establishment of the cash dividend distribution base date and cash dividend payment date for the year 2024. 2. Financial institutions' credit limit. 3. Revision the Company's Internal Control System. 4. Appointment of the Nomination Committee. 5. Appointment of the Remuneration Committee.	Motion 4: Except for Director HSIAO, CHUN-HSIANG, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 5: Except for Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2024.08.12	1. Review of the financial report and the consolidated financial statement of Q2, 2024. 2. Financial institutions' credit limit. 3. Revision of the provisions of "Internal Audit Practice Rules". 4. 2023 Sustainability Report. 5. Acquisition and Disposal of Securities. 6. Real estate transaction on COSMOS PLAZA in Sanchong Dist.	As consulted by the Chairman, all proposals were approved by the directors present without objection.

Meeting date	Motion	Important resolutions
2024.09.02	1. Review of the new directors' remuneration in 2024. 2. The first buyback of the Company's shares to be transferred to employees with managerial roles. 3. The first buyback of the Company's shares to be transferred to employees without managerial roles.	Motion 1: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2024.11.06	1. Revision of the provisions of the "Charter of Audit Committee". 2. Establishment of the Company's Sustainability Development Committee and the formulation of the "Charter of Sustainability Development Committee". 3. Appointment of the Sustainability Committee. 4. Review of the financial report and the consolidated financial statement of Q3, 2024. 5. Acquisition and Disposal of Securities. 6. Organizational structure adjustment.	Motion 3: Except for Director HSIAO, CHUN-HSIANG, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2024.12.24	1. Review of the directors' performance in 2024, also their performance targets and remuneration in 2025. 2. Review the status of the directors' continuing	Motion 1: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director CHANG, YI-HSIN,

Meeting date	Motion	Important resolutions
	education in 2024 and the refresher programs in 2025. 3. Review of the managers' performance in 2024, also their performance targets and remuneration in 2025. 4. Review of the 2024 year-end bonus distribution. 5. Revision of the Company's Internal Control System. 6. Revision of the provisions of the "Articles of Incorporation". 7. Revision of the provisions of the "Risk Management Policy and Procedures". 8. Formulation of the Company's 2025 annual operation plans and budgeting. 9. Formulation of the Company's 2025 audit plans. 10. Financial institutions' credit limit. 11. Organizational structure adjustment. 12. Acquisition and Disposal of Securities. 13. Property Lease of the Taichung Exhibition Center.	Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2025.02.20	1. The Company has received a notice from Sheh Fung Screws Co., Ltd. (hereinafter referred to as "Sheh Fung") regarding its public tender offer for the Company's common stock. In accordance with Article 14-1 of the "Regulations Governing the Public Tender Offer for Securities of Public Companies," the Company will verify and review Sheh Fung's identity and financial condition, the fairness of the acquisition terms, and the rationality of the acquisition funding sources, and will provide a proposal to the Company's shareholders regarding this acquisition.	The Board of Directors, having reviewed the public tender offer by Shen Fung, believes that the terms of the offer are in line with the principles of fairness and reasonableness. Therefore, the Board has agreed to the public tender offer. However, shareholders are urged to carefully review the risks of participating in the sale as outlined in the public tender offer announcement and the tender offer prospectus. The decision to participate in the sale is at the discretion of each shareholder. This recommendation is for reference only. Shareholders should carefully evaluate their individual investment needs and financial and tax situations and bear the risks associated with both participating and not participating in the sale.

Meeting date	Motion	Important resolutions
2025.03.04	1. Revision of the provisions of "Manager's Remuneration Rules". 2. 2024 remuneration distribution for the employees, and directors. 3. Review of the 2024 remuneration payment of the directors. 4. Review of the 2024 remuneration payment for the employees. 5. Review of the 2024 operating bonus payment. 6. Special Bonus Distribution. 7. 2024 business report and financial report. 8. 2024 surplus distribution. 9. Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2024. 10. Evaluation of CPA's independency and eligibility. 11. Discussion on the Company's and its subsidiaries' Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises. 12. Revision of the provisions of "Internal Control System". 13. Organizational structure adjustment. 14. Financial institutions' credit limit. 15. Acquisition and Disposal of Securities. 16. Discussion on the material transaction between the Company and its shareholders for 2024. 17. Discussion on the material transaction between the Company and its shareholders for 2025. 18. Convention of 2024 shareholders' general meeting.	Motion 3: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 5: Except for Director HSIAO, CHUN-HSIANG, whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2025.03.17	1. Election of one additional director. 2. Nomination and resolution of the director candidates' list. 3. Establishing the nomination period, the number of directors to be elected, and the places for receiving nominations. 4. Adding the agenda items for the 2025 shareholders' annual meeting.	As consulted by the Chairman, all proposals were approved by the directors present without objection.

(10) For the most recent year and up to the printing date of the annual report, if the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors and there are records or written statements, the main contents of which are:

No such case.

4. Information Regarding Audit Fee of Certified Public Accountants.

Unit: NT$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Subtotal	Remark
Deloitte Taiwan	Yu Su Huan	From 2024.01.01 to 2024.12.31	2,750	180	2,930	The non-audit fee concluded NT$ 180,000 for transfer pricing compliance.
	Tseng Chien Ming					

(1) If you change your accounting firm and the audit fee paid in the year of change is less than the audit fee paid in the year before the change, you should disclose the amount of the audit fee before and after the change and the reasons for the change.

No such case

(2) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed.

No such case.

5. Replacement of CPA

A. Regarding the former CPA

<table>
<tr><td>Replacement Date</td><td colspan="4">February 25, 2022</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">The original CPAs of the Company were Su Yu-xiu and Weng Bo-ren from Deloitte & Touche firm. Due to internal restructuring at Deloitte & Touche firm, the CPAs of the Company were changed to You Su-Huan and Su Yu-xiu, beginning at first quarter, 2022.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Parties / Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination of appointment</td><td rowspan="2">None</td><td rowspan="2">None</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Differences with the company</td><td rowspan="4">Yes</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of Financial Statements</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">✓</td></tr>
<tr><td colspan="4">Remarks/specify details:</td></tr>
<tr><td>Other Revealed Matters</td><td colspan="4">None</td></tr>
</table>

<table>
<tr><td>Replacement Date</td><td colspan="4">November 9, 2022</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">The original CPAs of the Company were You Su-Huan and Su Yu-xiu from Deloitte & Touche firm. Due to internal restructuring at Deloitte & Touche firm, the CPAs of the Company were changed to Yu Su-Huan and Tseng Chien-Ming, beginning at 4th quarter, 2022.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Parties
Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination of appointment</td><td rowspan="2">None</td><td rowspan="2">None</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Differences with the company</td><td rowspan="4">Yes</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of Financial Statements</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">✓</td></tr>
<tr><td colspan="4">Remarks/specify details:</td></tr>
<tr><td>Other Revealed Matters</td><td colspan="4">None</td></tr>
</table>

B. Regarding the successor CPA

Name of accounting firm	Deloitte & Touche firm
Name of CPA	Yu Su-Huan
Date of appointment	February 25, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

Name of accounting firm	Deloitte & Touche firm
Name of CPA	Tseng Chien-Ming
Date of appointment	November 9, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

6. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm.

No such case.

7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(1) Changes in shareholdings of directors, supervisors, managers and substantial shareholders

Job Title	Name	2024		For the year ended April 1, 2025	
		Increase (decrease) in shareholding	Increase (decrease) in shares pledged	Increase (decrease) in shareholding	Increase (decrease) in shares pledged
Chairperson	HSIAO, CHUN-HSIANG	0	0	0	0
Director	TSAI, MING-HSI	0	0	0	0
Director	CHANG, YI-HSIN	0	0	450,000	0
Director	LIN, KUO-HUA	0	0	0	0
Independent Director	HO, JENG-WEI	0	0	0	0
Independent Director	CHENG, SHENG-IN	0	0	0	0
Independent Director	LIN,JING	0	0	0	0
Independent Director	CHEN, HSIEN-CHIEN	0	0	0	0
General Manager	CHEN, WEI-CHIH	0	0	25,000	0
Deputy General Manager	HUANG, JUNG-JEN	0	0	0	0
Deputy General Manager	LIU, MING-CHIA	0	0	12,000	0
Deputy General Manager	CHEN, YU-CHUAN	0	0	0	0
Principal Accounting Officer	CHEN, CHAO-CHIH	0	0	0	0
Major Shareholder	Shen Fung Screws Co., Ltd.	0	0	9,873,784	0

(2) Stock Trade with Related Party

No such case.

(3) Stock Pledge with Related Party

No such case.

8. Information on the relationship between shareholders whose shareholding ratio accounts for the top ten shareholders are related to each other or are spouses or relatives within the second degree of kinship.

March 28, 2025

Name	Shares Held		Shares Held by Spouse and Minors		Shares Held in the name of Others		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship.		Remark
	Shares	%	Shares	%	Shares	%	Name (or name)	Relationship	
SHEN FUNG SCREWS Co., Ltd.	9,873,784	13.60	Not applicable		0	0	None	None	None
SHEN FUNG SCREWS Co., Ltd. Responsible Person: TU, TAI-YUAN	0	0	Data not available				None	None	None
HSIAO, CHUN HSIANG	5,013,581	6.91	1,154,069	1.59	0	0	TSAI, TZY-CHUN TSAI, MING-HSI	Son in Law Wife's Younger Brother	None
HCG Corporation	3,028,000	4.17	Not applicable		0	0	None	None	None
HCG Corporation Responsible Person: CHIU, LI-CHIEN	0	0	Data not available				None	None	None
Xin-Li Development Co.	2,950,000	4.06	Not applicable		0	0	None	None	None
Xin-Li Development Co. Responsible Person: CHANG, CHUN HAO	0	0	Data not available				None	None	None
LIN, KUO-HUA	2,574,574	3.55	685,409	0.94	0	0	None	None	None
TSAI, TZY CHUN	2,431,247	3.35	1,001,140 (Note 4)	1.38	0	0	HSIAO, CHUN -HSIANG TSAI, MING-HSI	Son in Law Father and Son	None

<table>
<tr><th rowspan="2">Name</th><th colspan="2">Shares Held</th><th colspan="2">Shares Held by Spouse and Minors</th><th colspan="2">Shares Held in the name of Others</th><th colspan="2">Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship.</th><th rowspan="2">Remark</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Name (or name)</th><th>Relationship</th></tr>
<tr><td>HUANG, YUE ZHAO</td><td>2,203,538</td><td>3.04</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>CHANG, CHIANG HSIU HSIA</td><td>1,662,466</td><td>2.29</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td rowspan="2">TSAI, MING HSI</td><td rowspan="2">1,573,195</td><td rowspan="2">2.17</td><td rowspan="2">292,067</td><td rowspan="2">0.40</td><td rowspan="2">0</td><td rowspan="2">0</td><td>HSIAO, CHUN HSIANG</td><td>Elder Sister's Husband</td><td rowspan="2">None</td></tr>
<tr><td>TSAI, TZY-CHUN</td><td>Father and Son</td></tr>
<tr><td>HSIN HSING Co. Ltd.</td><td>1,484,000</td><td>2.04</td><td colspan="2">Not applicable</td><td>0</td><td>0</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>HSIN HSING Co. Ltd. Responsible Person: CHEN, YU-YUAN</td><td>254,000</td><td>0.03</td><td colspan="4">Data not available</td><td>None</td><td>None</td><td>None</td></tr>
</table>

Note 1: The top ten shareholders must all be listed. For corporate shareholders, both the name of the corporate entity and the name of its representative must be specified.

Note 2: The calculation of shareholding percentages includes shares held in the shareholder’s own name, as well as those held in the name of their spouse, minor children, or under other persons’ names.

Note 3: The relationships between the listed shareholders, including both corporate and individual shareholders, must be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: Includes 1,000,000 shares delivered in trust with retained decision-making rights.

Note 5: Data is as of the book closure date.

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

Units: Shares; %; December 31, 2024

Shift in Investments (Note)	Investments by the Company		Investments by Directors, Supervisors, Managers and Ownership Directly or Indirectly Controlled by the Company		Integrated Investment	
	Shares	%	Shares	%	Shares	%
Vietnam Caesar Sanitary Wares Joint Stock Co.	41,877,700	99.99	200	0	41,877,900	99.99
Kaisheng Sanitary Co., Ltd.	1,836,000	51.00	0	0	1,836,000	51.00
Polarc Co., Ltd	100,000	52.00	0	0	100,000	52.00

Note: Long-term investments accounted for by the equity method.

III. Capital Overview

1. Capital and shares

(1) Source of Equity

Unit: NT$ thousands; thousands of shares

Year Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Shares	Monetary Amount	Shares	Monetary Amount	Source of Capital Shares	The Use of Property Other Than Cash to Offset the Payment of Shares	Others
1999 Dec.	10	16,000	160,000	16,000	160,000	Cash capital increase of $105,000 thousand.	None	Note 1
2007 Oct.	10	50,000	500,000	20,000	200,000	Surplus capital increase $40,000 thousand.	None	Note 2
2009 Dec.	10	50,000	500,000	50,000	500,000	Cash capital increase of $300,000 thousand.	None	Note 3
2010 Aug.	10	100,000	1,000,000	56,500	565,000	Cash capital increase $15,000 thousand. Surplus capital increase $50,000 thousand.	None	Note 4
2010 Dec.	25	100,000	1,000,000	64,500	645,000	Cash capital increase $80,000 thousand.	None	Note 5
2013 Oct.	27	100,000	1,000,000	72,600	726,000	Cash capital increase $81,000 thousand.	None	Note 6

Note 1: Approval number: Ministry of Economic Affairs, January 04, 2000 (089) Business 148081

Note 2: Approval No.: Ministry of Economic Affairs, October 25, 2007, Economic and Social Affairs No. 09632946040

Note 3: Approval No.: Ministry of Economic Affairs, January 18, 2010, Economic and Commercial Affairs No. 09901011600

Note 4: Approval No.: Ministry of Economic Affairs, September 06, 2010, Economic and Commercial Affairs No. 09901201140

Note 5: Approval No.: Ministry of Economic Affairs, January 28, 2011, Economic and Commercial Affairs No. 10001021530

Note 6：Approval No.: FSC, September 11, 2013, FSC Certificate No. 1020037401, Ministry of Economic Affairs, November 06, 2013, 10201226950

Unit: Shares

Shares Species	Authorized Share Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Shares	72,600,000	27,400,000	100,000,000	Listing

Information about the Omnibus Reporting System: Not applicable.

Structure of Shareholders

March 28, 2025

Shareholders' Structure / Quantity	Government Agencies	Financial Institutions	Other Legal Entities	Individuals	Foreign Institutions And Foreigners	Total
Number of People	0	2	45	4,499	23	4,569
Number of Shares Held	0	1,062,000	23,245,246	46,189,505	2,103,249	72,600,000
Ratio of Shareholding	0.00%	1.46%	32.02%	63.62%	2.90%	100.00%

(2) List of major shareholders

Name, amount and percentage of shareholding of top 10 shareholders or shareholders with 5% or more of total issued stocks.

Shares / Name of Major Shareholders	Number of Shares Held	Ratio of Shareholding
SHEN FUNG SCREWS Co., Ltd.	9,873,784	13.60%
HSIAO, CHUN-HSIANG	5,013,581	6.91%
HCG Corporation	3,028,000	4.17%
Xin-Li Development Co.	2,950,000	4.06%
LIN, KUO-HUA	2,574,574	3.55%
TSAI, TZY-CHUN	2,431,247	3.35%
HUANG, YUE-ZHAO	2,203,538	3.04%
CHANG, CHIANG HSIU-HSIA	1,662,466	2.29%
TSAI, MING-HSI	1,573,195	2.17%
HSIN HSING Co. Ltd.	1,484,000	2.04%

(3) Dividend Policy and Implementation Status

1. Company Dividend Policy

In addition to the Company Law and the Company's Articles of Incorporation, the Company shall distribute dividends to shareholders at a rate of not less than 50% of the current and future development plans, taking into account the investment environment, capital requirements and domestic and international competition, and taking into account the interests of shareholders; provided, however, that if the current after-tax profit is less than the current after-tax profit, the Company shall distribute dividends to shareholders at a rate of not less than 50% of the current after-tax profit. In addition, the Company shall distribute dividends to shareholders at a rate of not less than 50% of its net income for the current year, unless the distributable earnings for the current period is less than the net income for the current period. Dividends may be distributed in cash or in stock, with cash dividends not less than 10% of the total stock dividends, except when the stock dividends are less than $1 per share.

2. Circumstances of the proposed dividend distribution at the shareholders' meeting

The appropriation of the Company's 2024 earnings has been resolved by the Board of Directors on March 4, 2025, and it is proposed to distribute cash dividends to shareholders in the amount of NT$174,240,000, or NT$2.4 per share, and the Board of Directors will be authorized to set the basis date for dividend distribution after the shareholders' meeting.

3. If there is a significant change in the dividend policy, it should be stated

None.

(4) Effect of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results and earnings per share

There is no plan to allocate shares without compensation during the year.

(5) Remuneration for employees, directors and supervisors

1. The percentage or range of remuneration for employees, directors and supervisors as set out in the Articles of Association

Before paying remuneration to employees and directors, the Company shall set aside not lower than 2% of its annual net income to employees as compensation and not more than 2% to directors’ compensation. However, if the Company still has accumulated losses (including the amount of adjustment to undistributed earnings), the amount of compensation should be reserved in advance.

2. The basis for estimating the amount of compensation for employees, directors and supervisors, the basis for calculating the number of shares for employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

The amount of compensation to employees and directors is estimated in accordance with the Company's Articles of Incorporation and the "Regulations Governing the Remuneration of Directors" and is calculated based on past experience and the amount that may be paid in the future.

Any difference between the actual distribution amount and the estimated amount is accounted for as a change in accounting estimate and recorded as profit or loss in the following year.

3. The Board of Directors approved the distribution of remuneration
   (1) The amount of employees' compensation and directors' and supervisors' compensation distributed in cash or stock. If the amount differs from the estimated amount of recognized expenses, the amount of the difference, the reason for the difference and the treatment of the difference should be disclosed.

Unit: NT$; shares

Date of approval by the Board of Directors	Employee's Compensation				Directors' and Supervisors' Compensation	Whether there is a difference between the amount estimated in the year of expense recognition		
	Cash Amount	Stocks	Shares	Total	Cash Amount	Difference	Reason	Handling situations
2025.03.04	19,904,614	0	0	19,904,614	8,380,889	No difference	Not applicable	Not applicable

   (2) The amount of employee compensation distributed in stock and its proportion to the aggregate of net income after tax and total employee compensation in the individual or individual financial statements for the period.

   None.

4. The actual distribution of compensation to employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares), the difference between the distribution and the recognition of compensation to employees, directors and supervisors, and the amount of the difference, the reasons for the difference and the handling of the situation.

Unit: NT$; shares

Employee's Compensation				Directors' and Supervisors' Compensation	Whether there is a difference between the amount estimated in the year of expense recognition		
Cash Amount	Stocks	Shares	Total	Cash Amount	Difference	Reason	Handling situations
15,464,799	0	0	15,464,799	6,511,500	No difference	Not applicable	Not applicable

(6) Buyback of the Company's Shares

A. Status of the Company's Share Buyback (Completed Cases)

April 1, 2025

Buyback Times	First time
Purpose of Buying Back	Transfer of shares to employees
Buyback Period	April 21, 2020 to May 26, 2020
Buyback Interval Price	NTD 19.00 to NTD 46.05
Type and Number of Shares Bought Back	Common shares 524,000 shares
Amount of shares bought back	NT$15,674,348
Number of repurchases made as a percentage of the number of scheduled repurchases (%)	52.4%
Number of shares cancelled and transferred	Common shares 524,000 shares
Cumulative number of shares held by the Company	-
The cumulative number of shares held by the Company represents Total ratio of issued shares (%)	-

B. Status of the Company's Share Buyback (Ongoing Cases)

None.

2. Corporate Bonds:

None.

3. Preferred Shares:

None.

4. Global Depository Receipts:

None.

5. Employee Stock Options:

None.

6. Status of New Shares Issuance in Connection with Mergers and Acquisitions:

None.

7. Financing Plans and Implementation:

As of the quarter ended the publication date of the annual report, the Company had not issued or private placement of marketable securities to obtain funds and had no plans to use such funds.

IV. Operational Highlights

1. Business Activities

(1) Business Scope

A. The main contents of the company's business

a. Ceramics and ceramic products manufacturing industry
b. Ceramic glassware wholesale industry
c. Kitchen, bathroom equipment installation engineering industry
d. Waterware material wholesale industry
e. Wholesale of furniture, bedding, kitchen appliances, and furnishings
f. Retailing of furniture, bedding, kitchenware and furnishings
g. Building Materials Retail
h. Copper rolling, wire drawing and extrusion industry
i. Building materials wholesale industry

B. Operating weight

Unit: NT$ thousands

Annual / Product Items	2023		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Porcelain	1,170,717	46.81	1,257,491	45.06
Discharge Type	491,638	19.66	576,393	20.66
Electronic Automation	285,976	11.44	323,867	11.61
Bathroom Type	70,976	2.84	63,287	2.27
Other Categories	481,525	19.25	569,287	20.40
Total	2,500,832	100.00	2,790,325	100.00

C. Current products (services) of the company

The company's main products are basins, toilets, water supply appliances, bathtubs, bath cabinets, and all kinds of bathroom peripherals and accessories, as well as providing bathroom equipment repair services.

D. New products (services) planned to be developed

The Company is a professional manufacturer of porcelain, faucets and bathtubs, with a diversified and complete product line, and expects to develop new products in the future as follows.

a. Short-term plans

In response to the increasing shortage of water resources and the requirements of water conservation regulations, the Company has focused on the redesign and development of the toilet water circuit and continuously revised its online products so that they can meet the regulations of the Gold Level Water Conservation Label. In order to enhance product differentiation, we have (A) introduced ozone technology into our products to create an antibacterial and deodorizing bathroom environment by making use of the characteristics of ozone; (B) developed micro bubble function products to clean the skin deeply through micro bubbles smaller than capillary pores in the water, bringing users a different added value and experience; (C) introduced smart ion sensor technology, which is different from the general infrared (D) computer toilet seat series products and in the bathroom space, the use of plastic parts and accessories (hand-held shower, handrails ... etc.), gradually to the antibacterial certification application planning; product differentiation strategy, the introduction of more technology to enhance the added value of the product, through simple installation and use, fashionable and simple design, combined with the green and green technology. Through simpler installation and use, fashionable and simple design, combining the market trend of green energy, environmental protection and silver hair, and catering to the use habits of the consumer public, the product features are more layered and humane temperature. The projects currently under development cover the following

- Water-saving rimless one-piece and two-piece toilets
- Toilet items that meet the needs of the construction site market
- Urinal development of the characteristic shape
- A variety of different characteristics of the faucet series
- Public Health Products Combining Ozone Function
- Bathroom products that meet the needs of elders
- Lead-free faucet product development
- Overall bathroom space storage, product design and planning
- Bathroom & Cabinet Products
- Long-lasting germicidal bath products

b. Medium and long term plans

Using our existing process technology and experience, we will develop other bathroom-related products for other applications, and the products we plan to develop include

- Green energy products for energy saving and environmental protection
- Strengthen the silver hair family and electronic bathing equipment, and develop intelligent health care related products
- Deepening Caesar Technology's bath and health management aspirations related products
- High-end products for the middle and high-end market

(2) Industry Overview

A. Industry Status and Development

Domestic Market:

In 2024, the global average inflation eased, and Taiwan's overall nationwide property transactions significantly increased. The total number of property sales and transfers reached over 350,000 units, marking a growth of approximately 14% compared to 2023, setting a five-year high in the real estate market.

In 2025, the real estate market still faces numerous challenges, including government housing control policies and an aging population, which may lead to declining transaction volume. CAESAR will continue to launch various product series to meet diverse customers.

Year	Transfer Registration					
	Total	Buy and Sell	Auction	Inheritance	Gift	Other
	Number of buildings					
2020	474,579	326,589	5,269	59,109	43,759	39,853
2021	501,807	348,194	4,248	62,850	44,666	41,489
2022	481,959	318,101	4,183	70,382	49,805	39,488
2023	488,053	306,971	3,539	77,012	51,919	48,612
2024	541,498	350,525	3,703	75,975	54,058	57,237
Source: Ministry of the Interior Monthly Statistical Report						

Year	Construction License, User License and Start-up Profile					
	License to build license		License to use		Start-up license	
	Number of pieces	Main floor Surface area	Number of pieces	Main floor Surface area	Number of pieces	Main floor Surface area
2020	25,980	41,521	22,370	28,247	18,523	32,403
2021	26,089	43,425	22,484	28,005	17,077	30,499
2022	23,257	45,827	21,146	28,713	16,054	34,786
2023	18,542	37,442	20,280	31,956	15,232	32,568
2024	19,523	39,943	19,255	33,895	14,992	32,629
Source: Department of Construction						

International Market:

In 2024, the global average inflation rate declined by 1.1%, dropping from 6.9% in 2023 to 5.8%. While inflationary pressures have eased, the rate remains above the 20-year average, indicating that the global economy has yet to achieve full stability.

Since the United States launched a trade war against China in 2018, it has continued to curb China's development through various policies. Additionally, China's economy has been heavily impacted by excessive real estate development, leading to oversupply, high debt levels, and weakened market confidence. These factors have caused a downturn in the real estate sector, further dragging down economic growth. Moreover, the Russia-Ukraine war and the Red Sea crisis have intensified geopolitical risks, significantly affecting global trade and regional security, casting a shadow over global economic recovery prospects.

In contrast, Vietnam has benefited from Chinese enterprises relocating their factories and shifting orders, coupled with strong growth in the service sector. As a result, Vietnam's GDP growth rate reached 7.09% in 2024, surpassing the original target of 6.5%. The Ho Chi Minh City real estate market has also shown signs of recovery, with several long-stalled projects resuming, and investors expediting the necessary procedures to bring projects to market. The market anticipates that Vietnam's real estate sector will gradually recover after experiencing volatility, and our company remains optimistic about the growing demand for real estate in the country, leveraging its well-established market distribution channels.

CAESAR's Competitive Advantages in Vietnam:

Leveraging high-temperature fire-resistant ceramics (FFC) production technology, local manufacturing cost advantages, and the integration of cabinet products, Caesar product line will be more complete and further consolidate the long-term development foundation in the Vietnamese market.

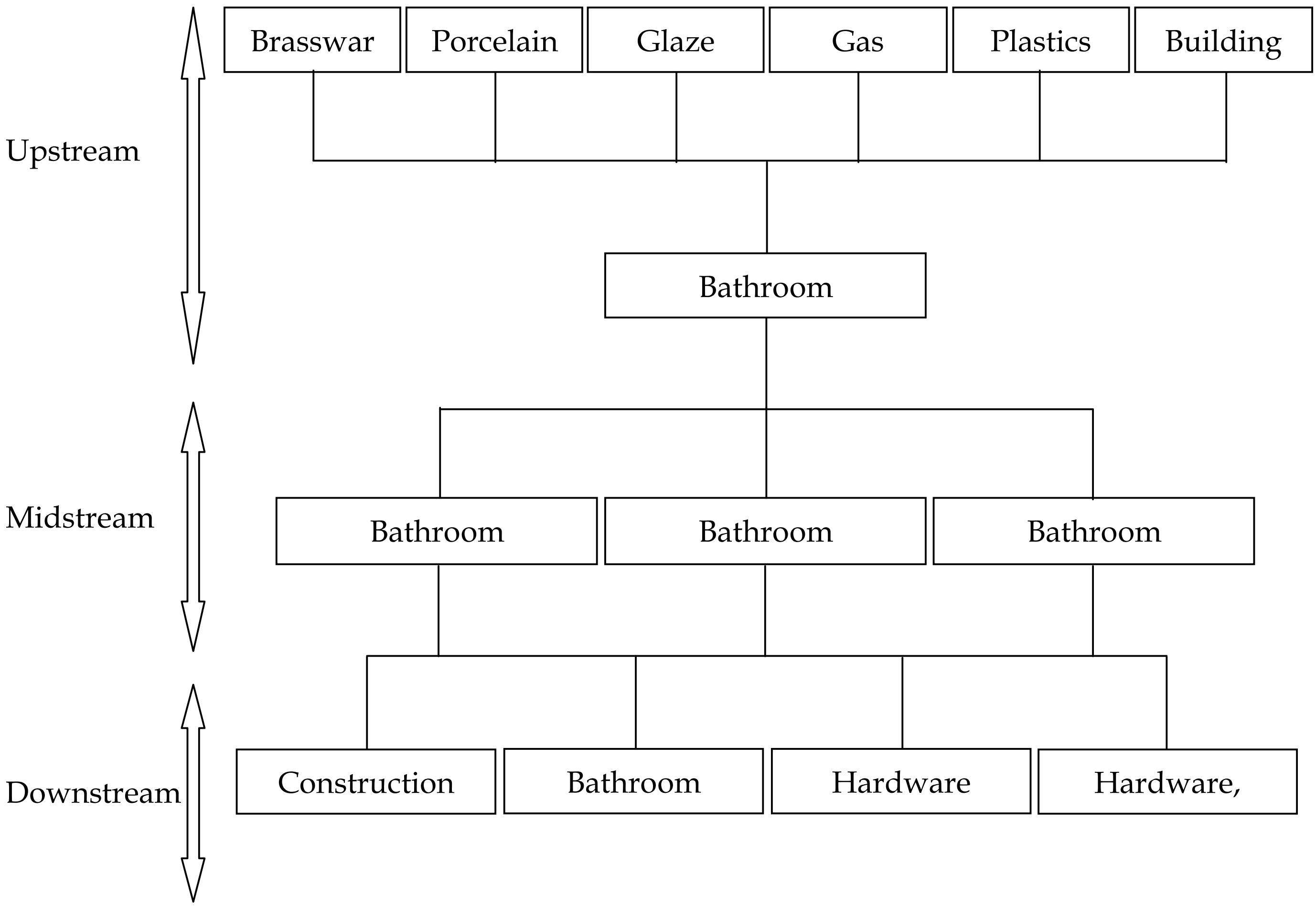
B. Upstream, midstream and downstream industry linkages

The Company is a manufacturer and seller of sanitary equipment such as basins, toilets, water supply devices, bathtubs and other peripheral products. The relationship between the industry, from the supply of raw materials, production and assembly to the sale of finished products, midstream and downstream, is described as follows.

a. Upstream: Suppliers of raw materials such as copper, porcelain clay, glaze, gas, etc., faucets and plastic products for finished sanitary equipment, as well as manufacturers who forge, glaze and shape the above raw materials. (i.e. the business of Vietnam Caesar Bath Co.
b. Midstream: Sales of bathroom equipment and its peripheral products under its own brand name marketers, distributors and dealers. (i.e., the Company's business)

c. Downstream: the construction industry, hardware and sanitary building materials companies and the end-consumer public that actually use sanitary equipment and its peripheral products.

The following is a summary of the upstream, midstream and downstream linkages of the bathroom equipment industry to which the Company belongs.



C. Various trends of product development

The development trend of the bathroom industry has gradually expanded from a simple toilet area to a home living space, and how to plan a comfortable and pleasant sanitary environment from an aesthetic base is the goal of research and development that major bathroom brands are competing for. The creation of thoughtful products to strengthen the connection and dependence of their customers will further enhance the brand.

Today's bathroom products are mostly integrated with electronic technology, the overall industry development has gradually transformed from the traditional industry to the technology industry, and towards the following trends.

a. Bathroom space furnishing

Traditional designers focus on living areas such as living rooms and bedrooms, but Caesar gradually promotes the planning and design of the whole bathroom. The value of furnishing the bathroom space is to combine aesthetics and functionality under the limited space planning. Through the clever combination of mirror cabinet, main cabinet and tall cabinet, the fashionable design and simple style meet the flexible needs of each home space and create more storage possibilities.

b. Silver hair family bathroom products

In response to the aging population, how to design and plan the bathroom space in order to provide silver-haired people and caregivers with more labor-saving, comfortable and safe bathroom space, and through the perspective of universal design, to design products for all ages to meet the needs of every user in the home. Caesar has noticed this trend of population development and has designed and planned the silver-haired toilet products, including the raised digital toilet and the raised general toilet, so that silver-haired people can easily get up after using the toilet; and has also integrated the planning of the silver-haired toilet series products to take care of the needs of silver-haired people in using the toilet.

c. Seeking strategic cooperation to develop intelligent bathing products

Through strategic cooperation, bathroom products can break out of the traditional mold. Combining the advantages of Taiwan's high-tech industry to create a safe and comfortable bathroom space, in the fall detection, to do a warning and early warning, the traditional bathroom manufacturers, technology has its limitations. In addition to the continuous improvement in water conservation and environmental protection, appearance and function, the use of big data and information technology is a step forward in intelligent products, through data to know the daily life information, such as use habits, and even integration of health management-related elements into product development, through the Internet of Things management and connection, so that the product is closer to human nature, and closer to the consumer connection.

d. Systematic management of production lines

The barcode system is integrated into the production of product histories, linking the first line of sales with the back office of the factory, and integrating anti-counterfeiting, identification and after-sales service. Combined with the electronic system, we can improve the efficiency and quality of service and provide an extended warranty mechanism. We also provide barcodes on the product and on the outer box to gradually improve its electronic system.

D. Competition situation

According to data from the Customs Administration, Ministry of Finance, the total import value of sanitary ceramics (HS CODE 6910) increased by 11.88% in 2024 compared to 2023, reaching USD 100,467,152. Among these imports, mainland China accounted for 46.1% of the total, followed by Vietnam at 28.6% and Japan at 13.32%. The combined imports from these three regions accounted for 87.91% of the total ceramic imports. In 2024, the total import value of faucets (HS CODE 84818010) increased by 25.5% compared to 2023, amounting to USD 66,538,676. Among these imports, mainland China accounted for 47.41% of the total, followed by Vietnam at 21.91% and Germany at 8.31%. The combined imports from these three regions accounted for 77.63% of the faucet imports.

Taiwan's sanitary equipment industry relies heavily on imports, mainly due to high difficulty in manufacturing sanitary ceramics and the challenges in controlling manufacturing yields. Additionally, the substantial capital required for establishing manufacturing facilities contributes to the limited number of companies capable of producing sanitary ceramics in Taiwan. Caesar owns a factory in Vietnam covering nearly 15 hectares, which includes ceramic, faucet, bathtub, and cabinet production facilities. The company invests hundreds of millions annually in equipment and technology to maintain its competitive edge.

(3) Technology and R&D Overview

For the most recent year and up to the printing date of the annual report, research and development expenses and technologies or products successfully developed.

Unit: NT$ thousands

Items \ Year	2024	As of March 31, 2025
Research and development expenses	21,149	2,672
Development of successful technologies or products	1. OPP(opening price point) level of One-piece toilet 2. Washbasin style upgrade 3. OPP level of washbasin and bathroom cabinet set 4. Toilet tank parts upgrade 5. Color program for faucets and accessories 6. Anti-bacterial handles applied on faucets 7. Micro-bubbles system applied on faucets 8. Unit bathroom cabinets combination and solution	1. High-end smart toilets 2. High-end one-piece toilet 3. Commercial toilet series 4. Unplugged bidet toilet seats 5. New style of counter washbasin

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

A. Short-term business development plan

Group's focused on developing new channels, promoting functional products, brand marketing integrated with sales data.

a. Caesar continues to strengthen existing channels, enhance sales skills, and develop new channels for sales growth. For example, Caesar has actively developed construction projects and started online stores to diversify revenue sources and lower operational risk.

b. Promote products: Launch antibacterial product lines to make the bathroom cleaner. Develop more sizes for bathroom cabinets to meet customers' storage demand. Develop comfort high toilet, seating SPA shower chair, open door bathtub for the elderly. Caesar continues to gain brand recognition and a good reputation.

c. Branding and marketing: Combined with sales data, develop precise advertising strategies and new types of brand communication filed, cooperate with customer journey map, and understand customer needs. Establish a data-driven decision-making platform to assist the management team in making a faster and more accurate business decision.

B. Long-term Business Development Plan

CAESAR focuses on developing the Asian market and aims to become one of the top brands in Asia, with investment in technologies and design with simplicity to offer affordable products to our customers.

a. Expanding into the ASEAN market: CAESAR continues to strengthen our developments in Vietnam to increase market share and take advantage of the ASEANZero Tariff Agreement to establish sales networks in Malaysia, the Philippines, Cambodia, and Indonesia.

b. Expanding into the China market: Alliance with Taiwan-invested enterprises in mainland China to open the China market and to infuse brand awareness of CAESAR in China.

c. Develop the OEM/ODM market: CAESAR receives orders from renowned distributors in the United States for new product lines, expecting turnover to increase steadily.

d. A more fashionable and minimalist brand voice: Caesar continues to inject new vitality into the brand voice, renovate the CIS corporate identity system, and furnish a new brand image with fashion and minimalist in mind.

e. Vietnam cabinet market: Design and produce cabinets tailored for the Vietnam market and open stores and establish sales networks to create business opportunities. With a systematic product development plan to serve the market, the cabinet business will soon become a significant business unit.

2. Market and Sales Overview

(1) Market Analysis

A. Sales (provision) of major goods (services) by region

Unit: NT$ thousands

Sales Area \ Annual	2023		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Taiwan	1,887,407	75.47	2,117,274	75.88
Vietnam	556,525	22.25	671,960	24.08
Others	56,900	2.28	1,091	0.04
Total	2,500,832	100.00	2,790,325	100.00

B. Market share

Our company is marketing under the brand name of CAESAR, which focuses on porcelain toilets, basins, faucets, shower cabinets and bathtubs, and is not yet available in the market as there are no reliable commercial or academic institutions or government agencies that can provide reliable market size statistics to show the market share of our company in the bathroom equipment market. The Company is the third largest bathroom equipment manufacturer and seller in Taiwan, with a market share of about 20% in Taiwan, and the third largest brand in Vietnam, with an estimated market share of 20%.

C. Future market supply and demand and growth

In recent years, the family and demographic structure of Taiwan has gradually changed from large families to small families, reaching 8.73 million households in 2018, 8.83 million in 108, and 8.93 million in 2019. The population will drop to 15.02~17.08 million in 2070, which is about 6~70% of the population in 2020. Therefore, with the change of population age structure, the demand for barrier-free and universally designed bathrooms from the middle and upper age groups is expected to increase gradually, and Caesar will make the necessary product combinations in advance according to the characteristics of the industry. In addition to Taiwan, Caesar also focuses its development on Asia, which accounts for over 60% of the world's population and is also the region with the fastest economic growth. Although the epidemic was well controlled, the tourism and physical service industries were still greatly affected. It is expected that after the gradual liberalization of international tourism, the Vietnamese market will continue to grow due to the population dividend. Vietnam's economy grew at a rate of 2.91% in 2020, slowing down to the slowest pace in 30 years. Foreign investors were unable to enter Vietnam, resulting in a slight rebound in real estate prices. Since Caesar's production base is in Vietnam and it is one of the top three brands in Vietnam in terms of sales volume, the growth of Vietnam market in the post-epidemic era will be an important driving force for Caesar's sustainable growth.

D. Competitive Niche

a. Competitive product cost: Bathroom equipment is a labor-intensive industry, and our production base is located in Vietnam, enjoying relatively low production cost, with automatic production line equipment to improve the yield rate, supplemented by the ASEAN tariff-free base, making the product cost relatively competitive.

b. Copper and Bath Cabinet Plant Capacity: With the expansion of copper gravity casting production, we can meet the demand of new construction and public works: With the bath cabinet plant, Caesar becomes one of the few integrated sanitary ware companies in Taiwan with a complete production base.

c. High self-production rate and stable quality: We have self-production lines for major products such as sanitary ware, faucets, bathtubs, and bath cabinets, which allow us to bring out the combined effect of matching product design and strict quality control.

d. Continued investment in core technology: Caesar FFC porcelain production technology is the best in Asia, and we continue to maintain our competitive edge with innovative technology.

e. Focused online marketing: We flexibly adjust our effective online marketing strategy to match online advertising and brand positioning.

f. Perfect pre-sales and after-sales service system: the first to provide pre-sales service with full product configuration, delivery to the house and porcelain 10-year warranty, and year-round after-sales service by bathroom butlers.

g. Taiwan's 15,000-square-meter distribution center speeds up logistics operations while reducing the chance of out-of-stocks and providing effective distribution services throughout the province.

h. Robust financial structure: The Company has good profitability, low debt ratio, stable cash flow and is able to cope with various crises.

E. Favorable and unfavorable factors of development prospect and countermeasures

a. Favorable factors

i. Vietnam production base, Taiwan and Vietnam complement each other, with competitive advantage.

With a total population of 98 million, the average age of Vietnam is only about 32 years old. Vietnam has a demographic dividend and the labor force accounts for about 70% of the total population, labor costs are relatively low compared to Taiwan and labor costs are two-thirds of those in China, the "world factory".

ii. ASEAN Tariff Advantage

In 1996, our company chose Vietnam as our production base with an eye on the ASEAN market. Since 2015, the whole region has been exempted from tariffs, which is favorable to the development of the market of ASEAN countries, and at the same time, there are still tariff barriers in some of the bathroom items exported from China to Vietnam, which is favorable to us and has a relative competitive advantage over competitors from other countries.

iii. Four major business plants to facilitate the expansion of OEM business

Since the completion of the Vietnam plant expansion, the Company has four major manufacturing businesses: porcelain, faucets, cabinets and bathtubs. In addition to supplying Caesar's brand development in Asia, the Company has the opportunity to expand its international OEM business and provide one-stop services. The porcelain business has been receiving orders from a well-known distributor in the U.S. since 2020 and has the opportunity to further expand into other projects in the future to diversify its business risks.

iv. Proactive management team

Compared with our competitors, our management team is relatively young, excellent, active and energetic, and has a precise grasp of the trending products, which enables us to close the gap with our strong competitors year by year. In Vietnam and Taiwan markets, we have made significant achievements.

v. Technical Advantages

The Company continues to invest in core technologies, in addition to the European porcelain Fine Fireclay technology and green energy hydropower technology, and will further invest in anti-bacterial technology for application in the kitchen and bathroom space, which is expected to enhance the overall brand competitiveness.

vi. Private Label Advantage

After 35 years of development, CAESAR is now the second most popular brand in Taiwan and one of the top three ideal brands for designers and the top three brands in Vietnam, competing with international manufacturers. Although there is still a gap between the company's scale of operation and that of the major international manufacturers, the company's strong local operation ability and flexible strategy have brought the market share of sanitary equipment in Taiwan and Vietnam closer.

b. Adverse factors and countermeasures

i. Professionals are not easy to find, and the training time is long.
   Countermeasures:
   (i) We provide summer internship opportunities for interested university students to work in our head office or factories to nurture industrial talents.
   (ii) We offer better salaries and benefits than our competitors, a friendly working environment and a comprehensive welfare system to attract professional talents.
   (iii) We have planned a comprehensive professional skills training and internal and external education training for our employees to enhance their professionalism and ensure the accumulation of professional skills and experience.

ii. The quality of labor is slightly poor; we must eliminate the weak and keep the strong.
   Countermeasures:
   (i) We continue to introduce new automated equipment to reduce the number of workers in the factory to stabilize production yields.
   (ii) Continuously promote six standard deviations to improve management efficiency and effectiveness.
   (iii) Increase employee salaries, benefits and performance bonuses, and enhance on-the-job training to improve staff quality and productivity.

iii. The quality of local raw materials supply in Vietnam is unstable, so we have to rely on imports.
   Countermeasures:
   (i) Some of the raw materials are in the nature of temporary goods, and prices and exchange rates fluctuate greatly. Therefore, the parent company is centrally responsible for the procurement of key raw materials to control the price and exchange rate risks.
   (ii) Develop local mineral sources in Vietnam to assist manufacturers to improve washing technology and reduce the risk of imported raw material supply chain.

(2) Important applications and production process of major products

A. Important applications of the main products

Main Products	Important Uses
Porcelain	It is a necessity for daily use, such as toilets, water tanks, basins, porcelain feet, squatting toilets, buckets and ceramic accessories.
Water	It is used in general bathroom water supply apparatus, including basin faucets, showerheads, shower heads and hardware fittings, etc.
Bathtub	As a necessity for daily bathing, we develop bathtubs of different materials, functions and designs according to market demand, including acrylic bathtubs, massage bathtubs, classical freestanding bathtubs and shower columns, etc.
Other (Electronic Automation)	It is the spare parts for daily bathroom equipment, such as automatic toilet flush, automatic toilet flush, automatic water supply faucet, automatic soap dispenser, automatic hand dryer, computerized toilet cover, etc.

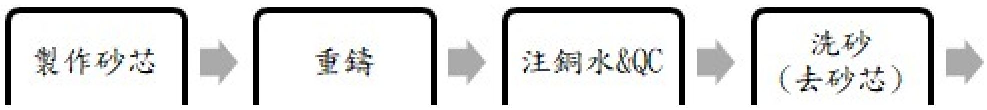
B. Production process of major products

The Company mainly purchases various sanitary products from Vietnam Caesar Sanitary Ware Co.

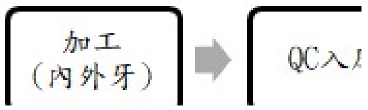
a. Porcelain

b. Water

Casting Process

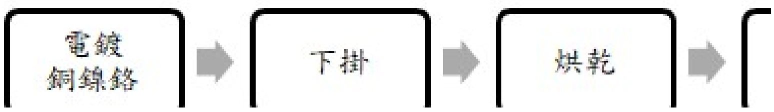


Processes



Polishing process

Electroplating Process



Assembly and quality inspection process

c. Bathtub

(3) Supply of major raw materials

The Company mainly purchases various finished sanitary products from Vietnam Caesar Sanitary Ware Company Limited, and the current supply of major raw materials for each of its finished sanitary products is as follows.

Raw materials	Supply Sources	Supply Status
Washed clay	Manufacturers from China and Thailand	Stable supply
Raw mineral clay	Manufacturers from Vietnam	Stable supply
Washed kaolin	Manufacturers from Vietnam	Stable supply
Nagashi	Manufacturers from India and Vietnam	Stable supply

Roasted Powder	Manufacturers from Germany and Italy	Stable supply
Copper Bar and Ingot	Manufacturers from Taiwan、Vietnam and Korea	Stable supply
65 recycled copper	Manufacturers from Vietnam	Stable supply
Acrylic sheet	Manufacturers from China	Stable supply

(4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease

A. Information of major suppliers in the last two years

Unit: NT$ thousands

	2023				2024			
Item	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer
No such case.					No such case.			

Note: The financial information as of March 31, 2025 has not been reviewed by the accountants.

B. Major customers in the last two years

Unit: NT$ thousands

	2023				2023			
Item	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer
1	Customer A	471,481	18.85	None	Customer A	521,459	18.69	None
	Others	2,029,351	81.15		Others	2,268,866	81.31	
	Net Sales	2,500,832	100.00		Net Sales	2,790,325	100.00	

Note: The financial information as of March 31, 2025 has not been reviewed by the accountants.

The reason for the change: The Company primarily conducts sales through distributors. Customer A is a distributor of the Company in the Greater Taipei area, covering the main residential areas of the population in Taiwan. Therefore, the sales amount is relatively high. The sales proportion over the past two years has remained largely the same, with no significant changes occurring.

3. The Number, Average Years of Service, Average Age and Educational Attainment of the Employees of the Company in the Last Two Years and by the Print Date of the Annual Report

March 31, 2025

Year		2023	2024	As of March 31st, 2025
The number of employees	Sales	330	330	326
	Management	150	150	148
	Research and Development	12	12	12
	Production Line	757	757	679
	Total	1,399	1,249	1,165
Average age		37.3	38.7	40.1
Average years of service		5.3	6.8	7.2
Education distribution ratio (%)	Ph.D.	0.08	0.08	0.09
	Master	0.88	0.88	1.20
	College	22.58	22.58	24.55
	High School	14.09	14.09	15.88
	Below High School	62.37	62.37	58.28

4. Environmental Protection Expenditure

For the most recent year and up to the date of publication of the annual report, the losses suffered as a result of pollution of the environment (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, the date of sanction, the sanction number, the provisions of the violation, the content of the violation, and the content of the sanction should be listed), and the estimated amount of current and potential future losses and measures to deal with them should be disclosed, and if the amount cannot be reasonably estimated, the facts that cannot be reasonably estimated should be stated.

No such case.

5. Labor Relations

(1) Employee welfare measures, further education, training and retirement systems and their implementation, as well as agreements between employers and employees and measures to protect the rights and interests of employees

A. Employee Benefit Measures

In order to enhance the welfare of employees, the Company has established an employee welfare committee in accordance with the law to make regular contributions to the welfare fund, and the main points of the Company's welfare measures are as follows.

a. Statutory welfare measures: universal health insurance, labor insurance, and contribution to labor pensions.

b. The company specially provides: employee bonus, performance bonus, employee education and training program, and group accident insurance.

c. The Employee Welfare Committee provides: three festivals gift, birthday gift, marriage allowance, and maternity allowance, first home purchase allowance, funeral allowance, injury and illness compensation, children's education scholarship, annual staff trip, and monthly birthday celebration party.

Vietnam Caesar Sanitary Wares Joint Stock Co. (a subsidiary) has established a labor union organization in accordance with the law and has paid the union dues on a regular basis, and has implemented the following welfare measures.

a. Statutory benefit measures: medical insurance, social insurance, unemployment insurance

b. The company provides: performance bonuses, employee education and training programs, and group accident insurance.

c. The labor union provides: three festivals gift, wedding and funeral subsidy, injury and sickness compensation, maternity allowance, and various other convenient and preferential activities, etc.

B. Further training and training situation

The Company holds internal training courses from time to time to cultivate employees' professional knowledge and skills in accordance with the needs of each department and their individual functions.

When new employees report to work, the management department selects the appropriate time and considers giving centralized or individual lectures according to the actual number of employees. The total number of employees participating in the training in 2024 was 530 people, and the total hours of training was 1,291 men/ hours.

C. Retirement System

In accordance with the Labor Pension Act, the Company contributes 6% of monthly wages to a personal pension account established by the Bureau of Labor Insurance. The total amount of pensions withdrawn in 2024 was NT$7,046,000.

The Company's retirement system is governed by the Labor Standards and Labor Pension Act, and the relevant regulations are as follows.

a. Employees who meet one of the following conditions may apply for voluntary retirement.
   i. Employees who have served for more than 15 years or more and are at least 55 years old.
   ii. Employees who have completed 25 years of service or more.
   iii. Employees who have served for 10 years or more and are over 60 years old.
b. Employees shall not be compulsorily retired unless one of the following circumstances applies.
   i. Employees who are over 65 years old.
   ii. Employees who are physically or mentally disabled and unable to perform their duties effectively.

D. Agreements between labor and management and various measures to protect employees' rights and interests

The Company holds regular labor-management meetings to provide a channel of communication between employees and employers. Since its establishment, all regulations and measures regarding labor relations have been handled in accordance with relevant laws and regulations, and based on the management philosophy of coexistence and mutual prosperity and clear management policies, we attach great importance to employees' opinions and provide various channels for responding to opinions to maintain good and harmonious labor relations.

E. Workplace diversity and gender equality

a. Gender Equality and Diversity

The Company is committed to providing employees with a dignified and safe working environment. We ensure fairness in hiring practices, compensation, and opportunities for advancement, regardless of race, gender, religious beliefs, age, political orientation, or any other condition protected by applicable laws, to prevent discrimination, harassment, or unequal treatment.

We value diversity among our employees and employ individuals with disabilities in compliance with the provisions of the Disability Rights Protection Act. Additionally, we welcome applications from Indigenous peoples, and if employed, we will respect their cultural customs and prioritize their rights in the workplace.

b. Employee Ethnicity Index (Taiwan Region)

Category	Percentage of Total Employees（%）	Percentage in Management Positions（%）
R.O.C. nationality	100	100
Foreign nationality	0	0
Aboriginal people	0	0

c. Female Diversity Index (Taiwan Region)

Index	Percentage（%）
Percentage of Female Employees in Total（%）	45.41
Percentage of Female Managers（%）	29.23
Percentage of Female Frontline Managers（%）	30.00
Percentage of Female Senior Executives (CEO ≤ Two Levels)（%）	20.00

d. Other Diversity Metrics

Category		Percentage of Full-Time Equivalent (FTE) Employees(%)
People with disabilities		0.51
All Employees	Age Grouping: <30 years old	10.71
	Age Grouping: 30-50 years old	76.02
	Age Grouping: >50 years old	13.27
	Total	100.00

e. Pay Equality

Our company has established a “Compensation Committee” to provide employees with competitive salaries. Through a transparent and equitable salary policy, we ensure that the company's operational performance is reflected in employee compensation.

For frontline specialists within the same job category, all employees receive equal treatment. Additionally, for individuals with relevant expertise and work experience, their compensation is determined based on their qualifications, expertise, and certifications, without any differentiation based on gender or ethnicity.

(2) For the most recent year and up to the printing date of the annual report, the losses suffered as a result of labor disputes (including labor inspection results in violation of the Labor Standards Law, the date of the sanction, the sanction number, the provisions of the law violated, the content of the law violated, and the content of the sanction), and the estimated amount of current and potential future losses and measures to address them, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated

No such case.

6. Information Security Management

(1) Describe the information security risk management framework, information security policy, specific management plan, and resources invested in information security management.

A. Information security risk management framework

The information security department of the Company is responsible for the information security policy, planning and execution of information security operations. The Audit Office of the Company regularly checks and evaluates the effective operation of the information security, and if deficiencies are found in the implementation of the information security, the auditor is required to propose an improvement plan in order to strengthen the internal information security of the Company and to minimize the risk.

B. Information Security Policy

a. Establish an information security risk management mechanism, and regularly review the effectiveness of information security risk management in response to changes in the internal and external information security situation.

b. The "ISO SAP-08 Office Management Measures" was established to regulate the use and management of personal computers, the use of software, the use of portable storage media, the use of the Internet, and the use of mail systems.

c. Through the internal control and audit unit, various audits are carried out to ensure that the information security norms continue to be effecti ve and achieve information security prevention and management.

d. Regularly implement information and communication security educati on and training, and advocate information security policies and related implementation regulations.

C. Specific Management Plan

a. Cybersecurity

i. Strengthen external network firewalls and network control to prevent the spread of computer viruses.

ii. Install anti-virus software.

b. Device Safety

i. Monitoring of changes in personal computer software and hardware.

ii. Disable USB storage devices to prevent malicious programs from invading the Company.

c. Application Security

i. Use legal and licensed software. Installing unauthorized applications is strictly prohibited.

ii. Regularly update operating systems and software to prevent malicious software from exploiting system or software vulnerabilities for attacks.

d. Data Security

i. Windows Active Directory permission management.

ii. Folder permission management.

e. Education, Training, and Advocacy

i. Conduct cybersecurity education and training to enhance employees' awareness of information security.

ii. Strengthen employees' awareness of email social engineering attacks and implement phishing email defense detection.

(2) For the most recent year and up to the printing date of the annual report, the losses suffered as a result of major information security incidents, and the estimated amount of current and potential future losses and measures to address them, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated

No such case.

7. Important Contracts

Nature of Contracts	Person(s) involved	Deed of Commencement Date	Main Content	Restricted Terms
Credit Facility	Shanghai Commercial Savings Bank	2024.05.07~2025.05.07	Short-term Loans	None
Credit Facility	South China Commercial Bank	2024.03.28~2025.03.28	Short-term Loans Short-term guaranteed loans	None
Credit Facility	Taipei Fubon Bank	2024.08.29~2025.08.29	Short-term Loans	None
Credit Facility	Chinatrust Commercial Bank	2024.08.31~2025.08.31	Short-term guaranteed loans	None
Credit Facility	First Commercial Bank	2024.04.17~2025.04.17	Short-term Loans	None
Credit Facility	Bank of Taiwan	2024.06.14~2025.06.14	Short-term Loans	None
		2021.01.15~2026.01.15	Medium-term guaranteed loans	None
		2024.06.14~2027.06.14	Medium-term Low-Carbon Smart Loan	None
Credit Facility	Mega International Commercial Bank	2024.06.02~2025.06.02	Short-term Loans	None
Credit Facility	Chang Hwa Commercial Bank	2024.02.28~2025.02.28	Short-term Loans	None
Credit Facility	Yuanta Bank	2024.12.25~2025.12.26	Short-term Loans	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Conditions

The main reasons for the significant changes in assets, liabilities and equity in the last two years and their effects

Unit: NT$ thousands

Annual / Project	2023	2024	Amount of increase (decrease)	Change ratio (%)
Current assets	1,549,048	1,731,884	182,836	11.80
Property, plant and equipment	923,871	875,489	(48,382)	-5.24
Intangible assets	13,733	11,611	(2,122)	-15.45
Other Assets	216,751	229,304	12,553	5.79
Total Assets	2,703,403	2,848,288	144,885	5.36
Current liabilities	403,818	298,358	(105,460)	-26.12
Non-current liabilities	252,239	262,080	9,841	3.90
Total liabilities	656,057	560,438	(95,619)	-14.57
Equity attributable to owners of the parent company	2,007,585	2,246,408	238,823	11.90
Share Capital	726,000	726,000	0	0
Capital Fund	277,703	283,555	5,852	2.11
Retention Surplus	1,244,949	1,430,445	185,496	14.90
Other interests	(225,393)	(193,592)	31,801	-14.11
Treasury Stocks	(15,674)	0	15,674	-100.00
Non-controlling interests	39,761	41,442	1,681	4.23
Total equity	2,047,346	2,287,850	240,504	11.75

Reasons for changes of over 20% in the past two years:

(1) The change in current liabilities was mainly due to the repayment of short-term borrowings.

(2) The change in treasury stock was primarily due to the transfer of treasury shares to employees earlier this year.

2. Financial Performance

(1) Reasons for significant changes in operating income, net operating income and net income before income tax for the last two years

Unit: NT$ thousands

Annual / Project	2023	2024	Amount of increase (decrease)	Change ratio (%)
Operating income	2,500,832	2,790,325	289,493	11.58
Operating Costs	1,643,210	1,800,846	157,636	9.59
Gross Profit	857,622	989,479	131,857	15.37
Operating Expenses	569,010	616,955	47,945	8.43
Other gains and losses, net	0	0	0	0
Operating profit or loss	288,612	372,524	83,912	29.07
Non-operating income and expenses	19,643	36,028	16,385	83.41
Net income before tax	308,255	408,552	100,297	32.54
Net income (loss) for the period	237,458	321,109	83,651	35.23
Other comprehensive income or loss for the period (Net after tax)	(59,164)	32,128	91,292	-154.30
Total consolidated profit or loss for the period	178,294	353,237	174,943	98.12

Reasons for changes of over 20% in the past two years:

A. The changes in operating profit/loss, profit before tax, net income, and total comprehensive income for the period were primarily driven by a recovery in market demand, which led to revenue growth and, in turn, improved overall profitability. Details on the sales amounts and revenue composition by product category are provided on page 130 of this annual report.

B. The changes in non-operating income and expenses were mainly attributable to an increase in foreign exchange gains and a significant valuation gain from financial assets measured at fair value through profit or loss.

C. The change in other comprehensive income for the period was mainly due to exchange differences arising from the translation of financial statements of foreign operations.

(2) Expected sales volume and its basis

For the year ended December 31, 2024, the Company did not disclose its financial forecast to the public.

(3) Possible impact on the Company's future financial operations and plans for response

Not applicable.

3. Analysis of Cash flow

(1) Analysis of recent annual cash flow changes

Unit: NT$ thousands

Opening Cash Balance	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Effect of exchange rate changes	Excess (shortfall) of cash	Remedies for cash shortage	
					Investment Plan	Financial Plan
297,963	309,286	(379,700)	24,344	251,893	Not applicable	Not applicable

Operating activities:

Mainly attributable to cash inflows generated from operating profits.

Investing activities:

The net cash outflow of NT$151,095 thousands, primarily due to the acquisition of financial assets measured at amortized cost, financial assets measured at fair value through profit or loss, and the purchase of property, plant and equipment.

Financing activities:

The net cash outflow of NT$228,605 thousands, primarily due to the repayment of dividends to shareholders and the repayment of short- and long-term borrowings.

(2) Improvement plan for lack of mobility

There is no cash flow shortage.

(3) Cash flow analysis for the coming year

Unit: NT$ thousands

Opening Cash Balance	Estimated full-year net cash flows from operating activities	Expected full-year net cash flow from investing and financing activities	Estimated remaining (shortfall) cash amount	Remedies for cash shortage	
				Investment Plan	Financial Plan
251,893	334,383	(328,962)	257,314	Not applicable	Not applicable

Operating activities:

Mainly attributable to the estimated operating profits for fiscal year 2025, plus depreciation and amortization expenses, among others.

Investing activities:

Primarily due to the estimated capital expenditures for fiscal year 2025.

Financing activities:

Mainly attributable to the estimated cash dividend distribution and the repayment of

short-term borrowings.

4. The Impact of Major Capital Expenditures on Financial Operations

(1) Use of significant capital expenditures and sources of funds

Unit: NT$ thousands

Project	Funding Sources	Amount of expenses
Purchase of property, plant and equipment	Working Capital	54,320

(2) Expected benefits (such as product quality, pollution prevention, cost reduction, etc.)

The expansion of manufacturing capacity at the Vietnam plant is expected to boost revenue from ceramic, sanitary ware, and electronic automation product lines, enhancing market competitiveness in Taiwan, Vietnam, and the broader Southeast Asian region. Additionally, the acquisition of a new office building—scheduled for completion in October 2028—is anticipated to elevate the company’s corporate image and brand value, attract top talent, and support future business growth.

5. Recent Annual Investment Policies, the Main Reasons for Profitability or Loss, Improvement Plans, and Investment Plans for the Coming Year

(1) Latest Annual Reinvestment Policy

The Company's reinvestment policy is based on factors such as expansion of operating scale and reduction of production costs, and seeks appropriate targets for reinvestment. In addition to consolidating the existing core business, the Company expects to explore business opportunities in peripheral markets and enhance profitability.

(2) The main reasons for profit or loss from investment in the most recent year, and improvement plans

Unit: NT$ thousands

Transfer Investment Company	End of period original Investment amount	Held at the end of the period Carrying amount	Investment income (loss) recognized in the period	Main reasons for gain or loss	Improvement Plan
Vietnam Caesar Bath Joint Stock Company Limited	665,303	1,360,403	31,534	It is one of the top three local bathroom brands in Vietnam.	None
Kaisheng Sanitary Co., Ltd.	18,360	25,420	4,640	It is the main distribution base of Taoyuan, and had made profits in the past two years.	None
POLARC CO., LTD.	15,990	10,950	(1,550)	It was established as a subsidiary in April of the year 2023, commencing operations in August of the same year, with business steadily increasing	None

(3) Investment plan for the coming year

The Company has no significant investment plans for the coming year.

6. Analysis and Assessment of Risks

(1) Effect of interest rate, exchange rate and inflation on the Company's profit and loss and future measures

A. Effect on the Company's profit or loss

Unit: NT$ thousands

Annual / Project	2023		2024	
	Amount	Ratio of net income before tax (%)	Amount	Ratio of net income before tax (%)
Interest income	6,625	2.15%	9,315	2.28%
Interest expense	5,881	1.91%	5,105	1.25%
Foreign currency exchange (gain) or loss	8,863	2.88%	15,528	3.80%

B. Future Measures

a. Interest Rate Change

The Company's working capital is still sufficient and its dependence on finance is relatively low, so market interest change is not significant. The Company's finance department will pay close attention to changes in interest rates and maintain good credit relationships with banks to actively seek the best interest rates and reduce the impact of interest rate changes on the Company's profit and loss.

b. Exchange rate changes

The Company's foreign exchange policy is based on the principle of conservatism and prudence, and foreign sales and purchases are quoted in foreign currencies, so that foreign currency revenues and expenses are offset to produce a natural hedging effect. The Company's finance department will pay close attention to the changes in foreign exchange rates and adjust the level of foreign exchange holdings and the timing of conversion in order to reduce the impact of exchange rate changes on the Company's profit and loss.

c. Inflation

In order to reduce this risk, the Company adopts a strategy of decentralizing its purchases to obtain relatively lower costs, and adjusts its selling prices in a timely manner to maintain stable profits. In addition, the Company actively strengthens its corporate management by improving production efficiency, personnel quality and inventory management in order to reduce the impact of inflation on its operations.

(2) The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profit or loss, and future measures to address them

A. Engaged in high-risk, high-leverage investments

For the most recent year and as of the date of the annual report, the Company has not engaged in high-risk, highly leveraged investments.

B. Lending of funds to others

The Company follows the Company's "Procedures for Lending Funds to others" and the Board of Directors' approval is required before the Company can lend funds to others. For the most recent year and as of the printing date of the annual report, the Company has not loaned any funds to others.

C. Endorsement Guarantee

The Company follows the "Procedures for Endorsements and Guarantees" and the Board of Directors' approval before the endorsement and guarantee are made. For the most recent year and as of the date of the annual report, the Company's endorsement/guarantee recipients are all subsidiaries.

D. Derivative Commodity Trading

The Company enters into derivative transactions in accordance with the Company's "Procedures for Handling Derivative Transactions", and the authorized amount is approved by the president or the board of directors before the transaction is made. The Company has not engaged in any derivative transactions in the latest year and up to the date of the annual report.

(3) Future research and development plans and estimated investment in research and development

In response to environmental policies and the utilization of water resources, our company focuses on the development and design of water systems, continuously refining and adjusting our online products. We not only aim to meet the standards for water-saving certification, but also strive to achieve the highest level of water-saving certification. In terms of the health aspect of our products for consumers, in addition to continuously developing lead-free copper, stainless steel faucets, and chlorine-removing shower filters, we have also developed chlorine-removing showerheads to reduce the health hazards of toxic substances (such as lead and chlorine) to consumers, contributing to the safety of water usage for the people of our country. Furthermore, the development of related differentiated technologies is also a key focus of our company's investment, such as the integration and application of ozone technology, the research and development of microbubble shower technology, and the development of products related to electrical automation and intelligent technology.

The factory continues to implement automated production processes, including:

A. Continuously increasing the proportion of high-pressure injection molding production to reduce reliance on manual labor for labor-intensive processes. High-pressure injection molding can now produce large products such as toilets and kitchen sinks. The automated production process largely replaces traditional methods, significantly increasing production efficiency and yield. Additionally, the workload and intensity of work for on-site employees are reduced, allowing personnel to focus more on production details.

B. The use of glazing robotic arms enables precise and uniform glazing of ceramics, significantly increasing glazing production efficiency and reducing the proportion of human errors. The percentage of products glazed using robotic arms has continuously increased from 45% in the 111th year to the current 65%.

C. We have begun to introduce the use of ultra-fine glazes. Ultra-fine glaze is a ceramic surface treatment technology with high glossiness and low pollution properties. It has the following characteristics:

   a. It effectively reduces the adhesion of pollutants such as limescale, oil stains, and dust, reducing the frequency of cleaning.

   b. It has excellent optical properties, capable of reflecting more visible and ultraviolet light, enhancing the aesthetics and smoothness of ceramic products.

   At present, the proportion of products using ultra-fine glaze is 10% (including all single-piece toilets and some basins). In the future, the use of ultra-fine glaze will be gradually increased across more product models.

   In the future, we have planned to introduce a fully automated process of high-pressure injection molding, drying, and oil inspection, which will require only a small number of personnel for body finishing, significantly reducing the number of personnel for handling and the resulting product damage from handling. The system mainly consists of the following components:

   a. Body Transport Device: Used to transport the bodies from the molding machine or storage area to the drying conveyor line.

   b. Drying Conveyor Line: Used to move the bodies inside the drying chamber along a preset path and speed.

   c. Drying Chamber: Provides a sealed space and climate conditions suitable for drying the bodies.

d. Auxiliary Equipment such as Fans, Heaters, and Dehumidifiers: Used to regulate the airflow, temperature, and humidity inside the drying chamber.

e. Control System: Used to control the operation of the entire system and collect data.

Considering all the aspects mentioned above, the estimated research and development expenses for the year 2025 are approximately NT$34,412 thousands.

(4) The impact of significant domestic and international policy and legal changes on the Company's financial operations and measures to address them

The Company operates in compliance with the relevant domestic and foreign laws and regulations, and keeps an eye on important domestic and foreign policies and legal changes to assess their impact on the Company and provide management with the necessary information for relevant decisions. The Vietnamese government increases the basic wage every year, resulting in an increase in operating costs. The Company continues to carry out automation and machinery improvements to maintain gross profit and to negotiate with customers on the pass-through mechanism. There were no material adverse effects on the Company's financial operations due to significant domestic and foreign policy and legal changes in the most recent year and up to the date of printing of the annual report.

(5) Impact of technological changes (including security risks) and industry changes on the Company's financial operations and measures to address them

The Company continues to actively collect and analyze market and technological developments related to our sanitary ware products in order to mitigate the impact of technological changes. At the same time, we are dedicated to developing new products to ensure stable revenue and profitability. In the recent fiscal year and up to the printing date of the annual report, technological changes and industry shifts have not had a significant impact on our financial operations.

Our company has established a comprehensive information security management system to ensure the security of information activities and services, thereby avoiding any impact or influence on our company.

(6) Impact of corporate image change on corporate crisis management and response measures

Our company is committed to provide excellent products and services, "good quality but better, fast service but faster" is our constant goal. In recent years, we have continued to cultivate the Taiwan market with a steady pace, and we have returned our business results to all shareholders, employees and the public, fulfilling our corporate social responsibility. In the recent year and as of the printing date of the annual report, no corporate crisis has occurred due to the change of corporate image.

(7) Expected benefits, possible risks and responses to the merger and acquisition

For the most recent year and as of the date of the annual report, the Company has no plans for mergers and acquisitions, and will carefully evaluate the benefits and risks of such plans, if any, in the future.

(8) Expected benefits, possible risks and measures for plant expansion

The Company has no plans to expand its plants in the latest year and as of the date of the annual report. If there are any such plans in the future, the benefits and risks will be carefully evaluated.

(9) Risks associated with the concentration of inbound and outbound shipments and measures to address them

The Company does not have any supplier accounting for more than 10% of total purchases, and each product has at least two sources of procurement, therefore there is no risk of procurement concentration.

The Company accounts for more than 10% of total purchases of Customer A is a distributor, accounting for about 18.69% of the net sales, mainly because the company is a distributor in the Greater Taipei area. Considering the population of the distributor's area, sales proportion of the amount of goods should be reasonable, and there is no doubt about excessive concentration.

We have the trademark right of "Caesar Bath" brand, so we can select the best targets for purchase or sales at any time to avoid the risk of concentrated purchase or sales.

(10) The impact, risk and response measures of a substantial shift or change in shareholding of directors, supervisors or substantial shareholders holding more than 10% of the shares of the Company

For the most recent year and as of the date of the annual report, there has been no significant transfer or change of ownership of the Company's directors, supervisors or substantial shareholders holding more than 10% of the shares.

(11) Impact of the change in management rights on the Company, risks and measures

For the most recent year and as of the date of the annual report, there has been no change in the Company's management rights.

(12) For litigation or non-litigation events, the Company and its directors, supervisors, general manager, persons in charge, substantial shareholders holding more than 10% of the shares, and affiliated companies should disclose the material litigation, non-litigation or administrative dispute that has been determined or is still in progress, and the outcome of which may have a significant impact on shareholders' equity or securities prices, the facts of the dispute, the amount of the subject matter, the commencement date of the

litigation, the principal parties involved and the Company shall disclose the facts of the dispute, the amount of the subject matter, the commencement date of the litigation, the principal parties involved and the status of the litigation as of the date of the annual report.

For the most recent year and as of the date of the annual report, the Company has not been involved in litigation or non-litigation matters.

(13) Other important risks and countermeasures

None.

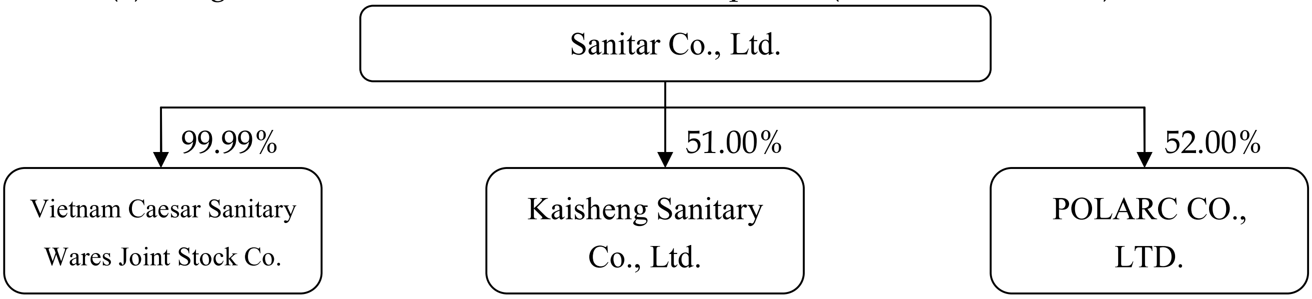
7. Other Important Matters

None.

VI. Special Disclosure

1. Information of the Associates

(1) Organizational Chart of Affiliated Companies (December 31, 2024)



Note: The above affiliates do not hold shares of the Company.

(2) Basic information of each affiliated company

Unit: NT$ thousands

Name of the Company	Date of Establishment	Address	Paid-in Capital	Main Business or Production Items
Vietnam Caesar Sanitary Wares Joint Stock Co.	March 20, 1996	Inchai Industrial Zone, Inchai District, Dong Nai Province, Vietnam	663,230	Manufacture and sale of bathroom equipments and cooper water supplies.
Kaisheng Sanitary Co., Ltd.	December 2, 2020	No. 258, Chung Hsing 5th Street, Lu Chu District, Taoyuan City	36,000	Sales of bathroom equipments and copper water supplies.
POLARC CO., LTD.	April 28, 2023	nchai Industrial Zone, Inchai District, Dong Nai Province, Vietnam	30,442	Manufacturing and selling paint products

(3) Information on the same shareholders who are presumed to be in a controlling or subordinate relationship

No such case.

(4) The industries covered by the business of the overall affiliated company

The main business items of the company:

A. Ceramics and ceramic products manufacturing industry
B. Ceramic glassware wholesale industry
C. Kitchen, bathroom equipment installation engineering industry
D. Waterware material wholesale industry
E. Wholesale of furniture, bedding, kitchen appliances, and furnishings
F. Retailing of furniture, bedding, kitchenware and furnishings
G. Building Materials Retail
H. Copper rolling, wire drawing and extrusion industry
I. Building materials wholesale industry
J. Basic chemical industry

(5) The names of the directors, supervisors and general managers of each related company and their shareholdings or capital contributions to the company

December 31, 2024

Name of the Company	Job Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Vietnam Caesar Sanitary Wares Joint Stock Co.	Chairperson	Sanitar Co., Ltd. Representative: HSIAO,CHUN-HSIANG	41,877,700	99.99%
	Director and General Manager	Sanitar Co., Ltd. Representative: CHEN, WEI-CHIH	41,877,700	99.99%
	Director	Sanitar Co., Ltd. Representative: CHANG, YI-HSIN	41,877,700	99.99%
	Supervisor	LIN, LIN-ZHI	0	0.00%
Kaisheng Sanitary Co., Ltd.	Chairperson	Sanitar Co., Ltd. Representative: HSIAO, CHUN-HSIANG	1,836,000	51.00%
	Director	Sanitar Co., Ltd. Representative: CHEN, WEI-CHIH	1,836,000	51.00%
	Director	Henrong Investment Co. Representative: P.Y. Wang	720,000	20.00%
	Supervisor	CHANG, ZHANG-XI	720,000	20.00%
	General Manager	WU, WEN-HSIUNG	324,000	9.00%
POLARC CO., LTD.	Chairperson	Sanitar Co., Ltd. Representative: CHEN, WEI-CHIH	520	52.00%
	Director	Sanitar Co., Ltd. Representative: CHANG, YI-HSIN	520	52.00%
	Director	CHEN, YU-JEN	320	32.00%

(6) Operational Highlights of Associates

Unit: NT$ thousands, but EPS was NT$; December 31, 2024

Name of the Company	Capital Stock	Total Assets	Total liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss) (after tax)	Earnings per Share
Vietnam Caesar Sanitary Wares Joint Stock Co.	663,230	1,523,016	140,484	1,382,532	1,186,885	38,048	43,376	836.44
Kaisheng Sanitary Co., Ltd.	36,000	94,433	30,509	63,924	212,230	11,659	9,097	2.53
POLARC CO., LTD.	30,442	25,389	4,331	21,058	23,521	(3,145)	(2,981)	(1025.09)

(7) Consolidated Financial Statements of Affiliated Companies

For the year ended December 31, 2024 (January 1, 2024 to December 31, 2024), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Financial Statements of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The information required to be disclosed in the consolidated financial statements has been disclosed in the preceding consolidated financial statements of the parent and subsidiary.

(8) Relationship Report

The Company is not a subordinate company under Article 369-2 is of the Company Law, therefore, not applicable.

2. Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Year and as of the Date of Publication of this Annual Report:

No such case.

3. Other Necessary Supplement:

None

VII. Matters that Have Significant Effect on Shareholders' Equity or the Price of Securities

For the most recent year and as of the date of publication of this annual report, events that have a significant impact on shareholders' equity or the price of securities as defined in Article 36, Paragraph 3, Clause 2 of the Securities and Exchange Act have occurred:

No such case.

VIII. Appendix

Explanation of the Deletion of Article 19 and Access to Financial Reports

In accordance with the revised "Regulations Governing Information to be Published in Annual Reports of Public Companies" by the Financial Supervisory Commission (FSC), the original Article 19 will be deleted effective August 1, 2024.
To facilitate investor access to the Company's financial information, please refer to the following instructions:

Steps for Accessing Financial Reports:
Visit the Market Observation Post System (MOPS) homepage → Select "Company" → Enter "Sanitar" or stock code "1817"
→ Click on "e-Documents / e-Book Download" → Select "Financial Reports"