KEDING

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www.twkd.com

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2025
ANNUAL REPORT

I. Company spokesperson and acting spokesperson

Spokesperson Name: Lin, Mei-Wen

Job Title: Accounting Manager

Tel.:(02)2296-3999

Email:kdstock@twkd.com

Acting Spokesperson Name: Wang, Kai-Chun

Job Title: Deputy Manager, Finance Department

Tel.: (02)2296-3999

Email: ir@twkd.com

II. Headquarters and factory address, phone number

Headquarters: 15th Floor, No. 268, Fuhui Road, Xinzhuang District, New Taipei City

Tel.: (02)2296-3999

Dapumei Production Headquarters Factory 1: No. 10, Wu Road, Dapumei Park, Dalin Township, Chiayi County

Tel.:(05)295-6799

III. The agency handling stock transfers

Name: Agency Department of CTBC Bank Co., Ltd.

Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

Website:http://www.ctbcbank.com

Tel.: (02)6636-5566

IV. Name, Address, and Phone Number of the CPA Signing the Financial Report for the Most Recent Fiscal Year

Name of CPA：CPA Yu,Chih-Feng、CPA Tsai,Yu-Ling

Name: Deloitte & Touche Taiwan

Address: 20th Floor, No. 100, Songren Road, Xinyi District, Taipei City

Tel.:(02)2725-9988

Website: http://www.deloitte.com.tw

V. The name of the trading venue for the listing and trading of overseas securities and the method for querying information on these overseas securities: Not applicable

VI. Company website: http://www.twkd.com

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I. Letter to Shareholders

We would like to thank our shareholders for your love and support in the past year. Based on continuous innovation and improvement, we have further enhanced our product quality and customer satisfaction, and achieved steady growth in performance and good market reputation. At the same time, we have continued to expand our product lines and international markets, and strengthened cooperative relationships with our customers, further enhancing our core competitiveness and market position.

In the future, we will continue to uphold our customer-centric philosophy and invest in innovation and research and development to develop products that better meet market needs and further expand our market share to achieve higher performance growth and value creation.

I. 2025 Business Report

(I) Operating Performance

In 2025, KD Enterprises recorded consolidated operating revenue of NT$2.6 billion, representing an increase of 3.9% compared with the accumulated revenue of the previous year. Net profit after tax amounted to NT$310 million, with a net profit margin of 12%. Accumulated earnings per share reached NT$3.92. The comparison with 2024 is as follows:

Unit: NT$1,000

Item	2025	2024	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Net operating revenue	2,599,891	2,503,330	96,561	3.86
Operating costs	(1,302,634)	(1,202,083)	100,551	8.36
Gross profit	1,297,257	1,301,247	(3,990)	(0.31)
Operating expenses	(887,548)	(840,034)	47,514	5.66
Operating profit	409,709	461,213	(51,504)	(11.17)
Non-operating income and expenditures	(25,162)	11,390	(36,552)	(320.91)
Pre-tax profits	384,547	472,603	(88,056)	(18.63)
Income tax expense	(74,635)	(86,932)	(12,297)	(14.15)
Net profit of the current period	309,912	385,671	(75,759)	(19.64)

(II) Budget Implementation: Not applicable (No 2024 financial forecast was previously provided by The Company.)

(III) Analysis of income, expenditures, and profitability:

Unit: NT$1,000

Item			2025	2024
Income and expenditures	Net cash inflow from operating activities		589,308	460,423
	Net cash outflow from investing activities		(467,791)	(625,345)
	Net cash flow from financing activities		(101,863)	154,368
Financial structure	Debt ratio (%)		71.01	70.65
	Ratio of long-term assets to property, plant, and equipment (%)		174.63	184.27
Profitability	Return on assets (%)		4.54	5.84
	Return on equity (%)		12.36	15.89
	As a ratio to the paid- in capital (%)	Operating profit	50.85	56.12
		Pre-tax profits	47.73	57.51
	Profit margin (%)		11.92	15.41
	Earnings per share		3.92	4.93

II. Summary of the 2026 Business Plan

(I) Business policy

1. Product R&D: Guided by its Blue Ocean Strategy, the Company focuses on healthy and high-potential building materials markets. Leveraging strong market insight, the Company has developed a diverse range of interior building material products and offers customers one-stop procurement services, thereby driving overall revenue growth.
2. Human Resource: As KD continues to expand its business footprint, exceptional talent remains a key source of innovation and growth. To support organizational development and future talent needs, the Company continues to strengthen talent development and employee retention initiatives, while actively recruiting high-caliber senior professionals to enhance the management team and reinforce corporate competitiveness.
3. Marketing Management: In order to meet the digital era, KD actively strengthens its digital services to satisfy customers' needs for booking, ordering, and personalized introduction. Meanwhile, in response to the trend of short-form video marketing, we publish our company image and product introduction videos on social media platforms such as Facebook, YouTube, Tiktok, Instagram, Xiaohongshu, etc., to vividly demonstrate our brand concept, products and services. In addition, through SMS, LINE and other means, KD proactively carries out customer development and interaction, and directs to the online professional introduction to fill in the form or the official website, etc., in order to realize the "zero distance" service in a comprehensive, fast and convenient way, to enhance the customer experience and establish a new communication channel.
4. Financial performance: The Company remains committed to strengthening its financial management framework and enhancing financial risk control. Through integrated capital allocation and coordinated production and sales planning among subsidiaries, the Company aims to optimize operational efficiency while reinforcing its capital base to meet operational needs.
5. Operation Management: KD continues to advance the transformation and upgrading of its business model by actively adopting big data analytics and artificial

intelligence (AI) technologies to precisely understand customer needs and enhance the efficiency of market intelligence acquisition.

In business development, the Company integrates telemarketing initiatives with multi-dimensional digital marketing strategies and has optimized its online presentation model from a one-on-one format to a more scalable one-to-many engagement mechanism. Through digitalized and large-scale outreach, KD achieves higher operational output and improved labor efficiency, followed by targeted offline visits to deepen customer relationships and strengthen brand loyalty.

In addition, the Company continues to accelerate its international expansion by establishing a comprehensive and standardized overseas franchise system supported by brand resources and operational frameworks. KD actively recruits international strategic partners to jointly expand its global market presence.

(II) Important production and marketing policies

1.	R&D technology:	Building on the new product momentum of "TRUE+ Panels" and "SPC Flooring" in the previous year, the Company continues to focus on "integrated green building materials" as its core technology development strategy. In addition to further strengthening the advantages of existing products, the Company plans to expand the KD Decorative Laminates series by developing Dark Core Decorative Laminates and Solid-core Laminates to better meet diverse customer needs. Meanwhile, it is actively pursuing cross-category development in the carpet product line. Through the horizontal integration of a diversified product portfolio, the Company aims to provide comprehensive space solutions and strengthen its long-term competitive advantage in the building materials market.
2.	Manufacture:	Promote the standardization and integration of one-stop production and sales operations to effectively shorten new product development cycles, increase production capacity, stabilize product quality, and achieve energy conservation and efficient resource utilization. In addition, leverage big data analytics to enable automated and intelligent manufacturing.
3.	Sales market:	With Asia as the core market and Taiwan as its development base, the Company is actively implementing its internationalization strategy. Its overseas expansion follows a focused and in-depth approach, with the current priority placed on the operations of its Japan subsidiary. The Company has also adjusted its marketing channels to target local major trading houses, aiming to build a stable supply chain and distribution network through strategic alliances.Meanwhile, the Company continues to optimize its overseas franchise system. Through standardized management modules and brand support, it steadily advances the global network expansion. By effectively integrating resources and pursuing precise market development, the Company seeks to strengthen its international market position and long-term competitiveness.
4.	Logistics system establishment:	The Xinshu Logistics Park has been officially completed and commenced operations, further strengthening logistics services and improving customer service quality. At the same time, the Company is optimizing its logistics and distribution model with the objectives of shortening lead times and enhancing service efficiency to support growing customer demand and ensure safe and timely delivery of goods. This enables the Company to provide faster and more reliable services to its customers.

5. Operational efficiency: Focusing on integrated green building materials as its core development direction, the Company implements a product diversification strategy and advances the transformation toward smart manufacturing. With the Xinshu Logistics Park now in operation, the Company has further optimized logistics quality management and improved distribution efficiency.
On the management side, the Company maintains a prudent financial policy and continues to refine its talent recruitment and appointment mechanisms. In terms of marketing, it integrates precision marketing with proactive marketing strategies to drive business growth, enhance operational performance, and support long-term sustainable development.

(III) Expected sales volume and its basis: As the Company does not voluntarily disclose financial forecast information, no relevant forecast data is provided.

III. The Company's future development strategy; impact from external competition, regulatory environment, and the macro-economic and operating environment.

Facing global supply chain volatility and the trend toward net-zero sustainability, KD Enterprise is implementing its integrated green building materials transformation strategy to strengthen operational resilience. In 2025, the completion and inauguration of the Xinshu Logistics Park further strengthen vertical supply chain integration and improve distribution efficiency.In response to market competition, the Company has launched new products such as Starlight Realistic Panels and KD SPC Flooring, building a highly competitive product portfolio with strong differentiation.Looking ahead, the Company will continue to enhance per capita productivity through a “one-to-many” digital marketing model, and plans to expand its ECO+ Laminates series and carpet product category to further strengthen its one-stop whole-space building materials solutions.In international markets, the Company will adopt a focused strategy in Japan by deepening operations, developing partnerships with major local trading houses, and expanding its overseas franchising network. This strategy aims to support continued growth in global market share and brand influence amid a rapidly evolving global environment.

IV. Operational outlook and objectives

KD Enterprise firmly believes that continuous improvement is key to sustaining competitive advantage. In response to global supply chain restructuring and the transformation of digital behaviors, the Company continues to strengthen its integrated systems capabilities. Through data-driven market insights and the adoption of digital tools, it enhances marketing efficiency and customer experience, thereby reinforcing its brand position on a solid operational foundation.

The Company’s product strategy is fully centered on its “Comprehensive Green Building Materials” development vision. Through the advancement of Starlight Realistic Panels, KD SPC Flooring, and other new product series, KD continues to strengthen its R&D capabilities in health-oriented, non-toxic, system-based, and modular product development. By combining standardized processes with highly flexible design, the Company delivers integrated solutions that adapt to diverse styles, strengthening professional support for design and construction applications and further enhancing product value in practical use.

On the business development front, KD continues to strengthen strategic cooperation with architects' associations, interior design associations, and large-scale project developers, while actively integrating global direct-operated and franchise channels to build a resilient operational network. Guided by its philosophy of "leveraging technology, continuous innovation, in-depth development, and stable growth," the Company is committed to developing high-quality products, fulfilling its corporate social responsibility, and striving to become a globally trusted leader in sustainable and healthy building materials.

Chairman of the Board: Tsao,Hsien-Chang Manager: Tsao, Hsien-Chang Accounting Manager: Lin, Mei-Wen

II. Corporate Governance Report

I. Information on directors, general managers, deputy general managers, associate managers, department and hub supervisors

(I) Information on directors

1. Information on directors

Job title	Name	Gender Age	Nationality or place of registration	Date on which the person was initially elected	Date on which the person was elected or took office	Tenure	Number of shares held when elected		Number of shares currently held		Number of shares currently held by the person's spouse and/or minor children		Number of shares held under another person's name		Main educational and career qualifications	Holding a position concurrently at the Company and at another company	An officer, director, or supervisor who is a spouse or a relative within the second degree of kinship of the person		
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	持股比率 (%)			Job title	Name	Relationship
Corporate director	Zhou Ding Investment Co., Ltd.	-	ROC	2021.09.01	2024.06.25	3 year	16,218,666	19.74	16,218,666	20.13	-	-	-	-	-	-	-	-	-
Representative of a corporate director/Chairman of the Board	Tsao, Hsien-Chang	Male 62	ROC	2002.07.05	2024.06.25	3 year	-	0.00	39,600	0.05	15,300	0.02	18,163,858	22.54	Master of National Taiwan University-Fudan EMBA Programs President, Yuanbang Interior Decoration Design Co., Ltd. Founder, Keding Enterprises Co., Ltd.	Chairman of the Board and President, Keding Enterprises Co., Ltd. (Note 1)	Director	Tsao, Ya-Lin	Immediate family member
Representative of a corporate director	Tsai, Sheng-Hang	Male 47	ROC	2024.06.25	2024.06.25	3 year	-	0.00	392,117	0.49	-	-	390,000	0.48	Department of Finance, 2-Year Junior College, Hsing Wu University	Vice President, Keding Enterprises Co., Ltd.	-	-	-
Representative of a corporate director	Tsao, Ya-Lin	Female 34	ROC	2020.12.24	2024.06.25	3 year	-	-	23,800	0.03	-	-	-	-	Master of International Marketing Management, University of Leeds, UK	Special Assistant, Keding Enterprises Co., Ltd.	Chairman of the Board	Tsao, Hsien-Chang	Immediate family member

Job title	Name	Gender Age	Nationality or place of registration	Date on which the person was initially elected	Date on which the person was elected or took office	Tenure	Number of shares held when elected		Number of shares currently held		Number of shares currently held by the person's spouse and/or minor children		Number of shares held under another person's name		Main educational and career qualifications	Holding a position concurrently at the Company and at another company	An officer, director, or supervisor who is a spouse or a relative within the second degree of kinship of the person		
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	持股比率 (%)			Job title	Name	Relationship
Director	Huang, Tien-Hua	Male 67	ROC	2002.07.05	2024.06.25	3year	2,047,000	2.49	2,047,000	2.54	11,330	0.01	-	-	Wanluan Junior High School Responsible person, Li Wei Engineering Co., Ltd. Founder, Keding Enterprises Co., Ltd.	-	-	-	-
Independent Director	Cheng, Hung-Hui	Male 52	ROC	2017.12.28	2024.06.25	3year	-	-	-	-	-	-	-	-	Master of Accounting, National Taiwan University Master of Law, On-the-job Programs of the College of Law, National Chengchi University A professional who passed the ROC Senior Examination for CPAs Holder of the USCPA License Deputy Manager, Audit Department, Deloitte & Touche Taiwan Manager, Audit Service Department, PwC Taiwan Internal Audit Manager of the Asia-Pacific Region, Finance Department, Analog Devices, Inc. Assistance Vice President, Audit Department, First CPA and Partners CPA, Chungsun CPAs CPA, Grant Thornton	Leader, Mingda CPAs Independent Director and Chair of the Audit Committee, GNT Biotech & Medicals Corporation	-	-	-
Independent Director	Yang, Hao-Ming	Male 64	ROC	2017.12.28	2024.06.25	3year	-	-	-	-	-	-	-	-	Bachelor of Business Administration, Chinese Culture University	Responsible person, KAYU TEXTILE CO., LTD.	-	-	-

Job title	Name	Gender Age	Nationality or place of registration	Date on which the person was initially elected	Date on which the person was elected or took office	Tenure	Number of shares held when elected		Number of shares currently held		Number of shares currently held by the person's spouse and/or minor children		Number of shares held under another person's name		Main educational and career qualifications	Holding a position concurrently at the Company and at another company	An officer, director, or supervisor who is a spouse or a relative within the second degree of kinship of the person		
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	持股比率 (%)			Job title	Name	Relationship
Independent Director	Liu, Tin-Hsuan	Male 42	ROC	2023.06.28	2024.06.25	3year	-	-	-	-	-	-	-	-	Bachelor of University of Toronto, Canada Master of National Sun Yat-sen University Vice President of Sino-Life Group Limited	Chairman of the TAIWAN STIPENDIARY CO.,LTD.	-	-	-
Independent Director	Lo, Shu-Chen	Female 49	ROC	2024.06.25	2024.06.25	3year	-	-	-	-	-	-	-	-	Master of National Taiwan University-Fudan EMBA Programs	Chairman of Zhang Fei Creative Marketing Co., Ltd.	-	-	-

Note 1: The Company's Chairman of the Board and President are the same person. This is mainly because Chairman Tsao, Hsien-Chang, who has years of experience in, and solid and specialized capability of, business administration in the interior decoration industry, possesses the leadership and decision-making capability and industry knowledge that serve as vital business strategic guidance for the Company. The number of directors who are concurrently an employee or a manger does not exceed the total number of directors. In the future, the Company will find a successor to the President. Adding an independent director in 2024.

2. Major shareholders of corporate shareholders：

April 30,2026

Name of corporate shareholder	Major shareholders of corporate shareholders
Zhou Ding Investment Co.,Ltd.	Tsao, Hsien-Chang 38.3% Chen, Mei-Yun 36.1% Tsao, Ya-Lin 12.8% Tsao, Chun-Hua 12.8%

3. Major shareholders of the corporate shareholders of the Company's corporate shareholders: Not applicable.

4.Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors: :

Qualification / Name	Professional qualifications and experience	Independence status	No. of other public companies at which the person concurrently serves as an independent director
Zhou Ding Investment Co., Ltd. Representative: Tsao, Hsien-Chang	1. For the professional qualifications and experience of the directors, please refer to pages 6-8 of this annual report for information on directors. 2. None of the directors have any of the circumstances	Not applicable	None
Zhou Ding Investment Co., Ltd. Representative: Tsai, Sheng-Hang			None
Zhou Ding Investment Co., Ltd. Representative: Tsao, Ya-Lin			None
Huang, Tien-Hua			None
Cheng, Hung-Hui (Independent Director)		According to the Company's Articles of Association and the "Corporate Governance Code of Practice," directors are elected through a candidate nomination system. During the nomination and selection of board members, the Company has obtained a written statement, resume, current employment verification, and a family relationship chart from each director to verify and confirm their independence relative to the company, including their spouse and relatives within	1
Yang, Hao-Ming (Independent Director)			None
Liu, Tin-Hsuan (Independent Director)			None

Lo, Shu-Chen (Independent Director)	listed in Article 30 of the Company Law. (Note 1)	the third degree of kinship. The Company has further verified that the following four Independent Directors have, for the two years prior to their appointment and during their tenure, met the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act (Note 2). Moreover, the Independent Directors have been granted the full authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, thus enabling them to independently execute their respective duties.	None

Note 1: If any of the following circumstances apply, they cannot serve as managers, and if they are already serving, they shall be dismissed accordingly: 1. Having been convicted of offenses under the Organized Crime Prevention Act, with a guilty verdict confirmed, and either having not yet served the sentence, not having completed the sentence, or having completed the sentence, finished probation, or been pardoned less than five years ago. 2. Having been convicted of fraud, breach of trust, or embezzlement with a definitive sentence of one year or more, and either having not yet served the sentence, not having completed the sentence, or having completed the sentence, finished probation, or been pardoned less than two years ago. 3. Having been convicted of offenses under the Anti-Corruption Act, with a guilty verdict confirmed, and either having not yet served the sentence, not having completed the sentence, or having completed the sentence, finished probation, or been pardoned less than two years ago. 4. Declared bankrupt or have had a liquidation process initiated by the court, and have not yet been reinstated. 5. Being subject to banking restrictions due to the refusal of transactions related to negotiable instruments, with the restriction period not yet expired. 6. Those who lack legal capacity or have restricted legal capacity. 7. Subject to guardianship declaration and has not yet been revoked.

Note 2: 1. Not a government, juridical person, or its representative as stipulated in Article 27 of the Company Act. 2. Concurrently serves as an independent director for no more than three other public companies. 3. None of the following circumstances during the two years before the appointment or during the term of office: (1) Employee of the Company or its affiliates. (2) Director or supervisor of the Company or its affiliates. (3) A natural person shareholder who personally, or whose spouse and/or minor children, or who holds over 1% of the company's total issued shares in another person's name, or is among the top ten shareholders. (4) The spouse, relatives within the second degree of kinship, or direct blood relatives within the third degree of the managers listed in (1) or the individuals listed in (2) and (3). (5) Director, supervisor, or employee of a juridical person shareholder that directly holds more than 5% of the company's total issued shares, is among the top five shareholders, or appoints a representative to serve as a director of the company in accordance with Article 27 of the Company Act. (6) Director, supervisor, or employee of another company where the majority of the board seats or voting shares are controlled by the same person. (7) Director, supervisor, or employee of another company or organization where the same person or the spouse serves as the Chairman of the Board, General Manager, or an equivalent position in the Company. (8) Director, supervisor, manager, or shareholder holding more than 5% of a specific company or organization that has financial or business dealings with the Company. (9) Professional, sole proprietor, partner, director, supervisor, manager, or their spouse of a sole proprietorship, partnership, company, or organization that provides auditing or related commercial, legal, financial, or accounting services to the Company or its affiliates, or received cumulative compensation exceeding NT$500,000 in the past two years. However, those serving as the Company's remuneration committee members are not subject to this limitation.

(II) Board of Directors Diversity and Independence:

1. Board of Directors Diversity

In order to strengthen the functions of the Board of Directors and promote the sound development of the composition and structure of the Board of Directors, the Company has established a diversity policy in the "Code of Corporate Governance Practice" and "Director Selection Procedures".

According to the "Corporate Governance Code of Practice" and the "Director Selection Procedure", the composition of the board of directors should consider diversity. In addition to the directors who are also managers of the company, no more than one-third of the directors' seats should be considered, and the composition of the board of directors should be based on its own operations, operating types and development needs. To formulate appropriate diversity policies, including but not limited to the following two major standards, to ensure that the company's directors meet the specific management goals of professionalism and diversity:

(1) Basic conditions and values: gender, age, nationality and culture, etc.

(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.

The board of directors as a whole should have the following capabilities.

(1) Business judgment ability, (2) Accounting and financial analysis ability, (3) Operation and management ability, (4) Crisis handling ability, (5) Industry knowledge, (6) International market outlook, (7) Leadership ability, (8) Decision-making ability.

The company will maintain and continue to improve the diversity of the current board of directors. There are currently 8 directors, including 4 independent directors (50%). The members' professional backgrounds cover management, marketing, engineering and finance. They are technology industry operators, accounting and management experts. The board members all have diverse backgrounds in industry, academia, and knowledge. Professional advice can be given from different perspectives, which is of great help in improving the company's operating performance and management efficiency.

The specific objectives established under the Board Diversity Policy and the status of their implementation are as follows:

The company's board of directors should guide the company's strategies, supervise the management, and be responsible to the company and shareholders. Its corporate governance The various operations and arrangements of the system should ensure that the board of directors exercises its powers in accordance with laws, the company's articles of association, or the resolutions of the shareholders' meeting. Directors listen to the reports of the operating team in the board meeting, provide guidance and suggestions, maintain good communication with the operating team, and jointly create the greatest interests for shareholders.

The company also pays attention to gender equality in the composition of the board of directors, with the goal of increasing the number of female directors to more than one-third (i.e., 33%).Following the board re-election at the shareholders' meeting in 2024, the number of female directors has increased from one to two (25%). In the future selection of board members, we will continue to pay attention to and give priority to consulting suitable female candidates in order to enhance gender diversity.

Management by objective	Achievement status
The number of independent director seats exceeds half of the total director seats	Achieved
It is not advisable for directors who concurrently serve as company executives to exceed one-third of the total director seats	Achieved
There must be no less than one director of different genders.	Achieved

Name of director		Nationality	Gender	Age distribution				Tenure of Independent Directors		Professional knowledge and skills							
				Aged 31-40	Aged 41-50	Aged 51-60	Above 61 years old	Below 3 years	3 to 9 years	Business judgment ability	Accounting and financial analysis ability	Operation and management ability	Crisis handling ability	Building construction	International market outlook	Leadership ability	Decision-making ability
Representative of a corporate director	Tsao, Hsien-Chang	ROC	Male				V			V	V	V	V	V	V	V	V
Representative of a corporate director	Tsai, Sheng-Hang	ROC	Male		V					V	V	V	V	V	V	V	V
Representative of a corporate director	Tsao, Ya-Lin	ROC	Female	V						V	V	V	V		V	V	V
Director	Huang, Tien-Hua	ROC	Male				V			V	V	V	V	V	V	V	V
Independent Director	Cheng, Hung-Hui	ROC	Male			V			V	V	V	V	V		V	V	V
Independent Director	Yang, Hao-Ming	ROC	Male				V		V	V	V	V	V		V	V	V
Independent Director	Liu, Tin-Hsuan	ROC	Male		V			V		V	V	V	V		V	V	V
Independent Director	Lo, Shu-Chen	ROC	Female		V			V		V	V	V	V		V	V	V

2. Independence of the Board of Directors:

The company's board of directors has eight members, of which four are independent directors, accounting for 50%. All independent directors maintain independence when executing business. None of the board members have any of the circumstances listed in Article 30 of the Company Law; among the board members, except for Director Tsao, Hsien-Chang and Director Tsao, Ya-Lin, who have a father-daughter relationship (2 seats), the rest (6 seats) have not met the requirements of the Securities and Exchange Law. Article 26-3 stipulates that the circumstances specified in paragraphs 3 and 4 occur. In addition, Article 15 of the Company's Rules of Procedure for the Board of Directors clearly stipulates that "If a director has an interest in himself or the legal person he represents in matters arising from the meeting, he shall explain his interest to the board of directors at that meeting. If any important content is likely to be harmful to the interests of the company, they are not allowed to participate in discussions and voting, and they should recuse themselves from discussions and voting and are not allowed to exercise their voting rights on behalf of other directors." All directors of the Company comply with the aforementioned regulations to ensure the independence of the board of directors' operations. For information on the independence of the company's board of directors, please refer to page 9 of this annual report to "4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors."

(III) Information on the president, vice presidents, associate managers, and the heads of all the Company's divisions and branch units

April 30,2026；Unit: shares; %

Job title	Name	Gender	Nationality	Date on which the person took office	Number of shares held		Number of shares held by the person's spouse and/or minor children		Number of shares held under another person's name		Main educational and career qualifications	Position concurrently held at another company	A manager who is a spouse or a relative within two degrees of kinship		
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship
Chairman of the Board and President (Note 1)	Tsao, Hsien-Chang	Male	ROC	2002.06.01	39,600	0.05	15,300	0.02	18,163,858	22.54	Master of National Taiwan University-Fudan EMBA Programs Founder, Keding Enterprises Co., Ltd. President, Yuanbang Interior Decoration Design Co., Ltd.	-	-	-	-
Vice President	Tsai, Sheng-Hang	Male	ROC	2024.03.12	392,117	0.49	-	-	390,000	0.48	Department of Finance, 2-Year Junior College, Hsing Wu University Senior associate manager, Keding Enterprises Co., Ltd.	-	-	-	-
Senior Vice President (SVP)	Peng, Sheng-Shiang	Male	ROC	2022.04.01	208,147	0.26	-	-	-	-	School of Forestry and Resources Conservation, National Taiwan University Senior Manager, Keding Enterprises Co., Ltd.	-	-	-	-
Finance and accounting officer/Director of Corporate Governance	Lin, Mei-Wen	Female	ROC	2021.10.05	46,698	0.06	-	-	171,000	0.21	Department of Accounting, Chaoyang University of Technology Head of the Finance and Accounting Department, TAIWAN NITTO OPTICAL CO., LTD. Deputy Manager, Accounting Department, Keding Enterprises Co., Ltd.	-	-	-	-
Chief Audit Officer	Kuo, Chia-Chia	Female	ROC	2021.11.12	3,200	0.00	-	-	-	-	Accounting and Information Department, Asia University Bookkeeper and auditor, Chao Hung CPAs Auditor, Keding Enterprises Co., Ltd.	-	-	-	-

Note 1: The Company's Chairman of the Board and President are the same person. This is mainly because Chairman of the Board Tsao, Hsien-Chang, who has years of experience in, and solid and specialized capability of, business administration in the interior decoration industry, possesses the leadership and decision-making capability and industry knowledge that serve as vital business strategic guidance for the Company. The number of directors who are concurrently an employee or a manger does not exceed the total number of directors. In the future, the Company will find a successor to the President.

(IV) Remuneration paid to directors, supervisors, and principal managers in the most recent year

1. Remuneration of Directors (including independent directors)

As of December 31, 2025; Unit: NT$ thousand; %

Job title	Name	Directors' remuneration								The ratio of the sum of A, B, C, and D to post-tax profits (%)				Remuneration received for concurrently serving as an employee								The sum of A, B, C, D, E, F, and G and its percentage ratio to post-tax profits				Whether received remuneration from an investee other than a subsidiary
		Remuneration (A) The Company		Retirement pay and pension (B) All consolidated entities		Directors' compensation (C) The Company		Expenses and perquisites (D)						Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee compensation (G)								
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company's total	Proportion of The Company	Total of all consolidated entities	Proportion of all consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities (Note 8)		The Company's total	Proportion of The Company	Total of all consolidated entities	Proportion of all consolidated entities	
																		Amount in cash	Amount in stock	Amount in cash	Amount in stock					
Chairman of the Board	Tsao, Hsien-Chang	-	-	-	-	-	-	25	25	25	0.01	25	0.01	2,085	2,085	-	-	-	-	-	-	2,110	0.69	2,110	0.69	None
Director	Huang, Tien-Hua	498	498	-	-	-	-	25	25	523	0.17	523	0.17	-	-	-	-	-	-	-	-	523	0.17	523	0.17	None
Director	Tsai, Sheng-Hang	-	-	-	-	-	-	22	22	22	0.01	22	0.01	2,006	2,006	60	60	-	33	-	33	2,088	0.68	2,088	0.68	None
Director	Tsao, Ya-Lin	-	-	-	-	-	-	25	25	25	0.01	25	0.01	1,134	1,134	40	40	-	-	-	-	1,232	0.40	1,232	0.40	None
Independent Director	Cheng, Hung-Hui	498	498	-	-	-	-	25	25	523	0.17	523	0.17	-	-	-	-	-	-	-	-	523	0.17	523	0.17	None
Independent Director	Yang, Hao-Ming	498	498	-	-	-	-	25	25	523	0.17	523	0.17	-	-	-	-	-	-	-	-	523	0.17	523	0.17	None
Independent Director	Liu, Tin-Hsuan	498	498	-	-	-	-	25	25	523	0.17	523	0.17	-	-	-	-	–	–	–	–	523	0.17	523	0.17	None
Independent Director	Lo, Shu-Chen	498	498	–	–	–	–	22	22	520	0.17	520	0.17	–	–	–	–	–	–	–	–	520	0.17	520	0.17	None

1. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g. for serving as a non-employee consultant to the parent company/any consolidated entities/invested enterprises): None

2. Supervisor's remuneration: N/A

3. Remuneration to the President and Vice President

As of December 31, 2025; Unit: NT$ Thousand

Job title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Bonuses and special disbursements, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 8)		Remuneration from ventures other than subsidiaries or from the parent company (Note 9)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entitie	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman of the Board and President	Tsao, Hsien-Chang	1,321	1,321	-	-	764	764	-	0	-	0	2,085 (0.68%)	2,085 (0.68%)	None
Vice President	Tsai, Sheng-Hang	1,456	1,456	60	60	551	551	-	0	-	0	2,067 (0.67%)	2,067 (0.67%)	None

Note 1: This includes salary, duty allowances, and severance pay to managers above the Vice President level.
Note 2: Pension contributed as required by law.
Note 3: This includes the amount of remuneration, incentives, travel expenses, special disbursements, stipends of any kind, and facilities such as accommodations or vehicle provided to managers at or above the vice president level who serve as a corporate director or supervisor of the Company or its subsidiary, plus each type of monetary rewards offered to them.
Note 4: Additionally, salary expenses recognized as share-based payment under IFRS 2 - including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc. - should be included in the calculation of remuneration.
Note 5: None of the Company's manager who is at or above the vice president level is a director, supervisor, or manager of an investee other than a subsidiary.
Note 6: Total remuneration paid to managers at or above the vice president level of all consolidated entities (including the Compan

4. Managerial officers with the top five highest remuneration amounts in a TWSE/TPEx-listed company (disclose their names and remuneration method) (Note 1)

As of December 31, 2025; Unit: NT$ Thousand

Job title	Name	Salary (A) (Note 2)		Retirement pay and pension (B)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 6)				Remuneration from ventures other than subsidiaries or from the parent company (Note 7)
								The Company		All consolidated entities (Note 5)		The Company		All consolidated entities		
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Total	(%)	Total	(%)	
General Manager	Tsao, Hsien-Chang	1,321	1,321	–	0	764	764	–	–	–	–	2,085	0.68	2,085	0.68	None
Vice President	Tsai, Sheng-Hang	1,456	1,456	60	60	551	551	–	–	–	–	2,067	0.67	2,067	0.67	None
Associate manager	Peng, Sheng-Shiang	1,257	1,257	55	55	485	485	–	–	–	–	1,797	0.58	1,797	0.58	None
Senior Manager	Hou, Jyun-Yu	1,249	1,249	58	58	464	464	–	–	–	–	1,771	0.58	1,771	0.58	None
Senior Manager	WANG,CHANG-CHIN	1,079	1,079	58	58	1,415	1,415	–	–	–	–	2,552	0.83	2,552	0.83	None

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

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

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

Note 4: Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year. Additionally, fill in Table 5 below.

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

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

Note 7: a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none). b. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

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

5. Name of managers who received employee compensation and status of distribution

As of December 31, 2025; Unit: NT$ Thousand

Job title (Note 1)	Name (Note 1)	Amount in stock (Note 2)	Amount in cash (Note 2)	Total	Total amount as a percentage of post-tax profits (%) (Note 3)
Chairman of the Board and President	Tsao, Hsien-Chang	–	–	–	–
Vice President	Tsai, Sheng-Hang				
Associate manager of the Management Unit	Peng, Sheng-Shiang				
Senior Deputy Manager, Financial and Admin. Unit	Lin, Mei-Wen				

Note 1: The executives listed were serving in their positions as of December 31, 2025. The titles presented are those held as of the date of publication of this Annual Report.

Note 2: Refers to the employee compensation for 2025, which was approved for distribution by the Board of Directors in 2026.

Note 3: Net income after tax refers to the net income after tax reported in the Company's 2025 parent company only financial statements.

6. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Total remuneration paid to directors, supervisors, the president, and vice presidents in the past two years as a percentage of post-tax profits:

Unit: NT$1,000

Item / Job title	2024				2025			
	Total remuneration		As a percentage of post-tax profits (%)		Total remuneration		As a percentage of post-tax profits (%)	
	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities
Directors' remuneration	23,706	23,706	6.14	6.14	8,043	8,043	2.61	2.61
President and Vice Presidents								
Post-tax profits	386,374	386,374			307,601	307,601		

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

- Directors' remuneration

The remuneration package currently provided to directors of the Company consists of directors' remuneration and transportation allowances, all of which are administered in accordance with the Company's Articles of Incorporation. Pursuant to Article 19 of the Articles of Incorporation, where the Company records a profit for the year, no more than 2% of such profit shall be allocated as directors' remuneration.

The Company has established a Remuneration Policy for Directors, Members of the Compensation Committee, Members of the Audit Committee, and managerial officers. In determining directors' remuneration, the Company takes into account its operating results, as well as each director's level of participation in corporate operations and the value of their contributions.

The appropriateness of such remuneration is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

The Company's board member performance evaluation measurement items (six major aspects) enumerate the important items and explain the weights as follows:

Measurement Aspects	Weight (%)	Explanation
Grasp of company goals and tasks.	13.04%	Understand the characteristics and risks of the industry in which The Company (the group) operates, as well as the strategic goals at different stages (including financial and non-financial aspects), and agree with The Company's core values of diligence and integrity, as well as the concepts of corporate sustainable management (ESG) and circular economy.
Understanding of directors' duties	13.04%	Fully understand the statutory obligations of directors, including the duty to ensure confidentiality concerning internal company information obtained while performing their duties.
Extent of participation in the Company's operations	34.78%	Attend the company's Boards of Directors and shareholders' meetings in person, without holding director or supervisor positions in more than three other publicly listed companies, to ensure sufficient time is dedicated to the Company's Board-related affairs, and to have a clear understanding of the Company (Group)'s management team and the industry in which the Company operates. This allows for professional and appropriate judgment, the provision of concrete suggestions, and the supervision of the Company's existing or potential various risks (including legal compliance, capital operations, ESG issues, etc.), thereby making effective contributions at the Board of Directors meetings.

Measurement Aspects	Weight (%)	Explanation
Internal relationship management and communication	13.04%	Interaction with the Company's management team is good, and there is good communication with other directors. In meetings (including the Audit Committee and Boards of Directors), there has been sufficient communication and exchange with the certified accountant.
Professionalism and continuing education of directors	13.04%	Possess the necessary expertise in business, legal, financial, accounting, or company operations required for the execution of decisions by the Boards of Directors, and whether they continue education and absorb new knowledge as required by regulations, and engage in the development and activities of corporate sustainable management (ESG).
Internal control	13.04%	Did directors duly recuse themselves from motions requiring directors' recusal due to a conflict of interest? Has the supervision and evaluation been conducted on the understanding, execution, and follow-up regarding the Company's (Group's) accounting system, financial condition and financial reports, audit reports, and their tracking status?

- Remuneration for managers

  According to Article 19 of the Company's Articles of Incorporation, if the Company makes a profit in the current year, no less than 2% shall be allocated as employee compensation. The Company has established "Policies for Remuneration of Directors, Members of the Remuneration Committee, Members of the Audit Committee, and Managers," as well as the "Global Gift, Bonus, and Reward Distribution Plan" and the "Global Employee Bonus Distribution Standard," providing reasonable bonuses based on the Company's overall operating performance and the individual's contribution to the Company's performance.

  According to the aforementioned regulations, the remuneration for the Company's managers includes salaries and bonuses. Salaries are determined based on their years of service and the value of their positions. Bonuses include employee compensation, budget achievement bonuses, and year-end bonuses. The distribution is determined based on the usual industry standards, considering individual performance, the Company's operating performance, and the correlation with future risks. The remuneration system is reviewed in a timely manner based on the actual operating situation and relevant laws and regulations, to achieve a balance between the Company's sustainable operation and risk management.

II. Corporate Governance Implementation

(I) Information on the state of operation of the Board of Directors

In 2025, the Board of Directors held seven meetings (A). The attendance of each director is set out below:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remark
Chairman of the Board	Tsao, Hsien-Chang	7	0	100%	-
Director	Huang, Tien-Hua	7	0	100%	-
Director	Tsao, Ya-Lin	7	0	100%	-
Director	Tsai, Sheng-Hang	6	1	85.71%	-
Independen Director	Cheng, Hung-Hui	7	0	100%	-
Independen Director	Yang, Hao-Ming	7	0	100%	-
Independen Director	Liu, Tin-Hsuan	7	0	100%	-
Independen Director	Lo, Shu-Chen	6	1	85.71%	-

I. Other information required to be disclosed:

- If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
- Any matter under Article 14-3 of the Securities and Exchange Act.
  The Company has established an audit committee, so the matters listed in Article 14-3 of the Securities and Exchange Act do not apply. For relevant information, please refer to "(2) Operations of the Audit Committee" on page 24 of this annual report.
- In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

II. Implementation of directors' recusal from interested-party agenda items.The names of the directors, the nature of the agenda items, the reasons for recusal due to conflicts of interest, and their voting participation are set out below:
(1) Directors recused themselves from discussions and voting on matters relating to their remuneration.

III. Implementation of Board Performance Evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Execute once a year. (Internal Evaluation)	2025/01/01 ~ 2025/12/31	Board of Directors performance evaluation	Board of Directors performance self-evaluation	A. Extent of participation in the Company's operations B. Improvement in the Board of Directors' decision-making quality C. Board of Directors composition and structure D. Election and continuing education of directors E. Internal control

			Self-evaluation by individual members of the Board of Directors	A. Grasp of company goals and tasks B. Understanding of directors' duties C. Extent of participation in the Company's operations D. Internal relationship management and communication E. Professionalism and continuing education of directors F. Internal control
		Evaluation of the performance of the functional committees	Self-evaluation of the performance of the functional committees	A. Extent of participation in the Company's operations B. Understanding of the duties of the functional committees C. Improvement in the decision-making quality of the functional committees D. Functional committees composition and election of members E. Internal control

- The Company completed the 2025 performance evaluations of the Board of Directors, individual directors, and each functional committee. The results were reported to the Board of Directors at its meeting held on March 9, 2026.
- In 2025, the performance evaluation scores of the Board of Directors and individual directors exceeded 97 points, reflecting sound Board operations. The self-assessment results of the Audit Committee, Remuneration Committee, Risk Management Committee, and Sustainability Development Committee were 99.75, 99.75, 99.75, and 98.05, respectively, indicating the effective performance of each functional committee. The evaluation results have been disclosed on the Company's website.
- Based on the results of this performance evaluation, the company will continue to improve the functions of the board of directors, individual director members and functional committees to improve the effectiveness of corporate governance.
- The actual attendance rate of each director at Board meetings (excluding attendance by proxy) was 96%. The average attendance rate of the functional committees was 92%.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g. establishing an audit committee, increasing information transparency) and the evaluation of implementation status:

- The Company's board members have diverse backgrounds, including different industries, academic, and accounting expertise. In the director re-election for this year, a new female director was added, and independent directors account for 50% of all director seats.
- To continuously pursue better corporate governance, the Board of Directors approved the establishment of the "Sustainable Development Committee" on January 13, 2025, to execute sustainable development goals, strengthen sustainable governance, and commit to the implementation of corporate social responsibility and sustainable development business philosophies.
- As required by Article 26-3, Paragraph 8 of the Securities and Exchange Act, the Company has formulated its "Regulations Governing Procedure for Board of Directors Meetings"; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in

accordance with these Regulations. ● The Company provides various training programs and encourages directors to attend corporate governance courses. External lecturers are invited to deliver on-site training sessions from time to time to enhance Board members' competencies. In 2025, eight directors completed continuing education, totaling 64 training hours (see Table 2: Directors' Continuing Education in 2025).

(II) Information on the operation of the audit committee

1. Incorporation Information:

To strengthen the internal supervision mechanisms of corporate governance and enhance the operational efficiency of the company, the Company, in accordance with the Securities and Exchange Act, has established an "Audit Committee" to replace the Supervisor. The committee members are composed entirely of independent directors.

2. Audit Committee Responsibilities

The company's audit committee is composed of four independent directors to oversee the fair presentation of the company's financial statements, the selection and dismissal of certified accountants, their independence and performance, the effective implementation of the company's internal controls, the company's compliance with relevant laws and regulations, the company's existing or potential The main purpose of the risk control mechanism is to consider the following matters:

(1) Annual and quarterly financial reports signed or sealed by the chairman, managers and accounting director.
(2) Develop or amend internal control systems.
(3) Assessment of the effectiveness of the internal control system.
(4) Major financial matters such as acquiring or disposing of assets, engaging in derivatives transactions, lending funds to others, endorsing or providing guarantees for others Processing procedures for business actions.
(5) Matters involving directors' own interests.
(6) Significant asset or derivatives transactions.
(7) Significant capital loans, endorsements or guarantees.
(8) Raising, issuing or privately placing securities of an equity nature.
(9) Appointment, dismissal or remuneration of certified accountants.
(10) Appointment and removal of finance, accounting or internal audit managers.
(11) Business reports and proposals for profit distribution or loss compensation.
(12) Other major matters stipulated by the company or the competent authority.

3. Members and professional qualifications, independence:

For details regarding the members of the Audit Committee and their professional qualifications and independence, please refer to page 6 of this annual report under "Information on Directors" and page 9 under "Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors."

4. Operation of the Audit Committee:

In 2025, the Audit Committee held seven meetings (A). The attendance of independent directors is set out below:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remark
Independent Director	Cheng, Hung-Hui	7	-	100%	-
Independent Director	Yang, Hao-Ming	7	-	100%	-
Independent Director	Liu, Tin-Hsuan	7	-	100%	-
Independent Director	Lo, Shu-Chen	6	1	85.71%	-
Other information required to be disclosed: I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:					

(I) Any matter under Article 14-5 of the Securities and Exchange Act

Date	Meeting title	Content	The opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors	The measures taken by the Company based on the opinions of the audit committee
2025/01/13	The Fifth Meeting of the Fourth Term	● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of December 2024	The Audit Committee passed the proposal with all Independent Directors present.	All directors present approved the proposal as proposed.
2025/03/11	The 6th Meeting of the 4th Term	● Proposal regarding the Company’s 2024 annual financial statements and business report ● Proposal regarding the “Internal Control System Statement” for the Company’s year 2024 ● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of February 2025 ● Proposal regarding the application for credit facilities from financial institutions ● Proposal regarding the 2025 operating plan and annual budget ● Proposal regarding the independence and competence assessment of the Company’s certified public accountants for 2025 ● Proposal regarding the change of the Company’s certified public accountants starting from the first quarter of 2025 ● Proposal regarding the appointment and remuneration of the Company’s certified public accountants for 2025 ● Proposal regarding the amendment of the Company’s “Articles of Incorporation ● Proposal regarding the amendment of the Company’s “Authorization Matrix (Approval Authority Standards for Various Operations)		
2025/04/10	The 7th Meeting of the 4th Term	● The Company’s 6th transfer to employees of treasury shares repurchased in the first buyback program of 2020 ● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of March 2025 ● Proposal regarding the loan to the Company’s subsidiary in Japan		
2025/05/12	The 8th Meeting of the 4th Term	● Proposal regarding the cancellation of treasury shares and the determination of the capital reduction record date ● Proposal regarding the distribution of earnings for the second half of 2024 ● Proposal regarding the distribution of annual earnings for 2024 ● Proposal regarding the Company’s financial report for the first quarter of 2025		

Date	Meeting title	Content	The opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors	The measures taken by the Company based on the opinions of the audit committee
2025/05/12	The 8th Meeting of the 4th Term	● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of April 2025 ● Proposal regarding the execution report of the improvement plan for the subsidiary's excess lending limit ● Proposal regarding the application for credit facilities from financial institutions	The Audit Committee passed the proposal with all Independent Directors present.	All directors present approved the proposal as proposed.
2025/08/11	The 9th Meeting of the 4th Term	● Proposal regarding the Company's financial report for the second quarter of 2025 ● Proposal regarding the application for credit facilities from financial institutions ● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of July 2025 ● Proposal regarding the definition of the scope of the Company's entry-level employees		
2025/10/02	The 10th Meeting of the 4th Term	● Proposal regarding the distribution of earnings for the first half of 2025 ● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of August 2025 ● Proposal regarding the proposed amendment to the Company's "Authorization Matrix (Approval Authority Standards for Various Operations)"		
2025/11/11	The 11th Meeting of the 4th Term	● Proposal regarding the Company's financial report for the third quarter of 2025 ● Proposal regarding the reclassification of accounts receivable from subsidiaries as loans to others as of the end of October 2025 ● Proposal regarding the execution report of the improvement plan for excess lending limits of the subsidiary Keding (Shanghai) Trading Co., Ltd. ● Proposal regarding the application for credit facilities from financial institutions ● Proposal regarding the Company's 2026 internal audit plan		

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication)：

- The Company regularly holds an Audit Committee meeting and, if need be, invites CPAs, audit officer, and related officers to attend the meeting in a non-voting capacity.
- As required by Article 3 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", each department of the Company carries out self-evaluation of the internal control system every year. An internal audit report is issued monthly and summited first to the Chairman of the Board for review and then to the independent directors for reference. In addition, the chief internal auditor reports to the Board of Directors on the implementation of the audit work every quarter. Independent directors and the chief internal auditor also keep in touch with each other.

Summary of Communication Activities during Fiscal Year 2025:

Date	Communication method	Communication item	Communication results
2025/03/11	Audit Committee	1. Report on the results of implementation of review and revision of the internal audit paperwork procedures. 2. Execution status of internal audit activities for the fourth quarter of 2024. 3. Results of the 2024 internal control self-assessment and the execution status of the “Internal Control System Statement.”	1. 1. Independent directors were informed. 2. No objection to the audit conclusion. 3. The “Internal Control System Statement” for fiscal year 2025 was approved by the Audit Committee, submitted to the Board of Directors for resolution, and duly filed and disclosed on the designated website of the competent authority within the prescribed timeframe.
2025/05/12	Audit Committee	Execution status of internal audit activities for the first quarter of 2025.	No objection to the audit conclusion.
2025/08/11	Audit Committee	Execution status of internal audit activities for the second quarter of 2025.	No objection to the audit conclusion.
2025/11/11	Audit Committee	Execution status of internal audit activities for the third quarter of 2025.	No objection to the audit conclusion.

- The results of the audit of financial statements and other mandatory communication items interchange between the Audit Committee and the Company's attesting CPAs semi-annually.

Summary of Communication Activities during Fiscal Year 2025:

Date	Communication item	Communication results
2025/03/11	The auditor provided an explanation regarding the review of the Company's consolidated financial statements for fiscal year 2024: 1. Consolidated financial statements for fiscal year 2024. 2. Communication on the key audit matters in the independent auditors' report. 3. Significant accounting policies, significant accounting estimates, and significant events or transactions. 4. Significant Risks and Key Audit Matters. 5. Reminder about the applicability of laws and regulations. 6. Audit Quality Indicators (AQI) report	Approved by the Audit Committee, submitted to and approved by the Board of Directors, and disclosed and filed with the competent authority in time.
2025/11/11	The auditor provided an explanation regarding the review of the Company's consolidated financial statements for the third quarter of 2025: 1. Consolidated financial statements for the third quarter of 2025. 2. Communication on the key audit matters in the independent auditors' report. 3. Significant accounting policies, significant accounting estimates, and significant events or transactions. 4. Significant Risks and Key Audit Matters. 5. Introduction of the new accountant 6. Reminder about the applicability of laws and regulations. 7. Audit Quality Indicators (AQI) report	

IV. Key focus areas of the Audit Committee for fiscal year 2025:

1. Review the appropriateness of financial reports and accounting policies and procedures.
2. Review the business reports and proposals for profit distribution.
3. Review the independence and competency of the certified accountants.
4. Review the appointment and remuneration of certified accountants.
5. Review of procedures related to the internal control system.
6. Review the Annual Audit Plan.
7. Assessment of the effectiveness of the internal control system.
8. Review the buyback of treasury shares and its implementation status.
9. Review significant capital loans, endorsements, and guarantees
10. Review of the application for credit facilities from financial institutions.
11. Are there related party transactions and potential conflicts of interest between managers and directors?

(III) Corporate Governance - Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
I. Has the Company formulated and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has formulated its "Corporate Governance Best Practice Principles" and disclosed the same on its official website and the Market Observation Post System. In addition to complying with laws and the articles of association, the Company's corporate governance system has established an effective governance framework that protects shareholder rights, strengthens the functions of the Board of Directors, respects the rights of stakeholders, and enhances information transparency.	No significant deviation.
II. Shareholding Structure and Shareholders' Rights (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures? (II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders? (III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	 V V V		(I) The Company has set up multiple channels, e.g. the spokesperson and acting spokesperson mechanism, spokesperson's email address, and the Company's Investor Relations website. Furthermore, the Company also designates a stock affairs agency to handle shareholder suggestions and dispute. (II) The Company and its stock affairs agency regularly grasps the Company's major shareholders with over 5% holdings and their ultimate controllers. In addition, as required by Article 25 of the Securities and Exchange Act, the Company discloses and reports any changes in MOPS every month, so as to fully grasp major shareholders. (III) The Company has formulated the "Regulations Governing Transactions between Group Entities, Specific Companies, and Related Parties" and "Regulations for Supervision of Subsidiaries," which specify the regulations for management of personnel and assets between the Company and associates. Furthermore, the Company	No significant deviation.

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			effectively controls risks by implementing the internal control system and the internal audit system.	
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) The Company has established the "Operating Procedures for Processing of Material Inside Information and Prevention of Insider Trading" (including procedures for handling, transmitting, keeping confidential, preserving, and disclosing material information, as well as promoting insider trading prevention and legal compliance). It is explicitly stipulated that Directors, Managers, and employees shall not disclose any confidential material inside information they are aware of to others, nor shall they inquire about or gather any undisclosed material inside information of the Company that is unrelated to their duties from individuals who are aware of such information. Additionally, they are prohibited from disclosing any undisclosed material inside information obtained not through the performance of their duties to others. Every year, at least once, the Company provides education and advocacy related to the prevention of insider trading laws to incumbent Directors. The "Operating Procedures for Processing of Material Inside Information" is designated as a mandatory educational training for all employees (including new employees) annually. Online course presentations and video files are available in the internal employee system throughout the year, offering diverse learning channels to all colleagues. Conduct advocacy on significant violations related to material inside information within the company (such as insider trading), the potential major impacts of such actions on the company, and the legal penalties stipulated. This is to guide	

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			colleagues in reviewing the attitude they should maintain and the legal operational procedures they must comply with when handling the company's material inside information.	
III. Board of Directors Composition and Duties (I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the company voluntarily set up other functional committees? (III) Has the Company established its Rules for Performance Evaluation of Board of Directors and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal?	 V V V		(I) Please refer to “(II) Board Diversity and Independence” (pages 11-13) of this Annual Report. (II) The Risk Management Committee was established on November 9, 2022. The Sustainability Development Committee was established on January 13, 2025. The Vice President serves as the convener. An ESG working group has also been established to be responsible for implementation and enhancement. The committee reports its execution results and future work plans to the Board of Directors at least once a year. (III) The Company established the “Regulations Governing Board Performance Evaluation or Peer Evaluation” on November 12, 2020. In accordance with these regulations, an internal performance evaluation is conducted annually through questionnaires, and the results are submitted to the Board of Directors. The results of the performance evaluation serve as a reference for the selection or nomination of directors and are also used as a reference for determining the remuneration of individual directors and members of functional committees. After all questionnaires are collected in January each year, the Administration Department analyzes the results in accordance with the aforementioned regulations and reports the findings to the Board of Directors, together with proposed improvement measures based on directors’ recommendations.	No significant deviation

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			The Company completed the 2025 performance evaluation in January 2026 (covering the period from January 1, 2025 to December 31, 2025) for the Board of Directors, individual directors, the Remuneration Committee, the Audit Committee, the Risk Management Committee, and the Sustainability Management Committee. The evaluation results and areas for continuous enhancement in 2025 were reported to the Board of Directors at its meeting held on March 9, 2026. The results of the Board performance evaluation shall serve as a reference for the selection or nomination of directors. The 2025 evaluation scores ranged from 97.22 to 99.75, indicating a satisfactory level. The execution status and results of the performance evaluation are disclosed on the Company's website and on the Market Observation Post System.	
(IV) Does the company regularly evaluate the independence of attesting CPAs?	V		(IV) The Audit Committee of the Company evaluates the independence and suitability of the Company's signing certified public accountants on an annual basis. In addition to requiring the signing certified public accountants to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)," the evaluation is conducted in accordance with the standards set out in Appendix 1 and 13 AQI indicators. It has been confirmed that, over the past two fiscal years, aside from audit and tax-related service fees, there have been no other financial interests or business relationships between the Company and the signing certified public accountants. The accountants' family members also do not violate	

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			independence requirements. Furthermore, based on AQI information, it is confirmed that the certified public accountants and their firm demonstrate audit experience and training hours above the industry average. In addition, digital audit tools have been continuously implemented over the past three years to enhance audit quality. The most recent annual evaluation results were reviewed and approved by the Audit Committee on March 9, 2026, and subsequently submitted to and resolved by the Board of Directors on the same date regarding the independence and suitability assessment of the certified public accountants.	
IV. Has the public company allocated qualified and sufficient number of personnel and appointed managers in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors to comply with laws, handling matters relating to board meetings and shareholders' meetings according to laws, handling matters relating to business registration and registration modification, recording minutes of board meetings and shareholders' meetings)?	V		At the Board of Directors meeting dated October 5, 2021, the Company appointed Lin, Mei-Wen, deputy manager of the Financial and Admin. Unit, as the Director of Corporate Governance, who shall carry out mandatory matters, including organizing the Board of Directors meetings, Audit Committee meetings, Remuneration Committee meetings and Shareholders' Meetings; assisting directors in taking office and continuing education; regularly reporting the operation of corporate governance to the Board of Directors. Providing the necessary materials and assisting directors in adhering to legal regulations. The execution status for fiscal year 2025 is as follows: 1. Develop and plan appropriate company systems and organizational structures to promote the independence of the Board of Directors, enhance the company's transparency, and ensure legal compliance as well as the implementation of internal audits	無重大差異

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			and controls. 2. Report to the Board of Directors, directors, and functional committees on the status of the company's corporate governance operations, confirming whether the convening of shareholders' meetings and board meetings complies with relevant laws and corporate governance codes. 3. Prior to the board meeting, the opinions of each director are solicited to plan and draft the agenda. All directors are notified at least 7 days in advance to attend and are provided with sufficient meeting materials to facilitate their understanding of the relevant subject content. If the agenda content involves a related party with an interest and requires appropriate recusal, advance notice will be given to the relevant party. 4. Each year, register the Date of the shareholders' meeting in accordance with the statutory deadline, prepare and submit the meeting notice, agenda manual, and minutes before the deadline, and handle after revising the articles of association or the re-election of directors. 5. Reviewed material resolutions after the Board of Directors meeting that are required to be disclosed, so as to ensure the legality and correctness of the disclosed material information, thereby ensuring investors' equal access to transaction information. 6. Regularly informed the Board of Directors members of the latest amendment or development of laws or regulations pertaining to corporate governance or the Company's operations. 7. Plan the annual continuing education program and arrange courses for directors based on the	

company's industry characteristics and the educational and experiential background of the directors.

8. Reviewed the confidential level of relevant information and provided the information needed by directors; maintained smooth communication and interchange of information between directors and the heads of the various business.
9. Assist in arranging meetings for communication between the Independent Director and the chief internal audit officer or the certified public accountant to understand the company's finances and business.
10. Other matters stipulated by the company's articles of incorporation or contracts.
11. A total of 7 Board of Directors meetings and 7 Audit Committee meetings were held in 2025.
12. One Annual General Shareholders’ Meeting was held in 2025.
13. Below are the continuing education courses taken by the Director of Corporate Governance：

Organizer	Course name	Continuing education period	Hours
TPMA	Applications of Generative AI and ChatGPT	2025/05/27	3
TPMA	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	2025/06/18	3
CFEDA	Launch and Assessment of Trump’s Tariff 2.0	2025/06/18	3
ARDF	The Impact of Trump 2.0 on the Global Economy	2025/10/18	3

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and a special section for stakeholders on the company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		In addition to designating a spokesperson and an acting spokesperson, the Company has also set up an email box on its company website to provide a communication channel at the disposal of stakeholders. Aside from properly responding to the corporate social responsibility issues concerning stakeholders, the Company has also disclosed its financial and business information on its company website and the MOPS. Material information will also be announced in the case of an event that might impact stakeholders.	No significant deviation.
VI. Has the company appointed a professional stock affairs agency to handle matters for shareholders' meetings?	V		The Company has commissioned the Agency Department of CTBC Bank, a professional stock affairs agency, to handle its stock affairs.	No significant deviation.
VII. Information Disclosure				
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The Company has set up an Investors' Zone on its company website where its business and financial information as well as corporate governance information is disclosed.	No significant deviation.
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, and posting the Company's earnings calls on its website)?	V		(II) The Company has established departments such as the Finance Department, Investors' Relations, and Media, responsible for the collection and disclosure of information related to shareholders, regulations, investments, and the market. At the same time, the Company has established a spokesperson system to implement operations and procedures in compliance with relevant regulations. The presentations and videos from the quarterly institutional investor meetings are also disclosed in the Investors' Zone on the company's official website for the reference of shareholders and stakeholders.	No significant deviation.

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
(III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial reports along with the monthly business performance statements before the required due dates?		V	(III) The Company has scheduled to publish and file the Q1, Q2, and Q3 financial reports along with monthly business performance statements before the required due dates. However, due to the numerous overseas subsidiaries, the audit process for the annual financial report takes longer, making it impossible to publish and file the annual financial report within two months after the end of the fiscal year. Nevertheless, the Company will still strive to complete the publication and filing before the statutory deadline to enhance the transparency and timeliness of information disclosure.	Except for the Year financial report, Others comply.
VIII. Does the company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, and so on)?	V		1. Employee rights and employee care (1) Employee welfare measures in place (e.g. labor insurance, health insurance, labor pension contribution, birthday money gift, gift and money gift for the three major Chinese festivals, and company tour.) (2) Regulations formulated based on the Act of Gender Equality in Employment are in place to ensure employee interests. (3) Sound educational and training system, including internal and external training courses. (4) Labor - management meetings are regularly held to enhance harmony between labors and the management and put in writing labor - management relations and labor conditions so as to ensure employees' rights. (5) Regulations for performance evaluation and monetary rewards are in place as a reference for allocating of the various monetary rewards to employees. 2. Investor relations An annual shareholders' meeting is held annually, and a communication channel comprising a	No significant deviation

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			spokesperson and an acting spokesperson is also available, so as to handle shareholder suggestions, settle disputes, and provide shareholders with a premises where they can voice their opinion and get feedback. Meanwhile, the Investors' Zone is set up on the official website. The Company also regularly publishes its annual report, wherein stock affairs like internal regulations, operating revenue statistics, financial statements, and corporate governance information are fully disclosed. 3. Supplier relations The Company assesses, and regularly evaluates, suppliers' quality and the reasonableness of their price in a fair, reciprocal, and legal manner. Upholding an ethical philosophy, the Company always follows righteous procedures when it comes to source of raw materials and the transportation thereof. Suppliers understand the Company's acceptance standards and cooperate well accordingly, thereby improving the product quality of each other. The Company interacts with suppliers in accordance with its "Ethical Corporate Management Best Practice Principles," maintaining a good interactive relationship and conducting audits at irregular intervals to ensure supplier quality. 4. Stakeholders' rights The Company has designated a spokesperson and an acting spokesperson, as well as contact phone numbers and email addresses for business personnel, investor relations, supplier relations, and employee welfare relations, enabling direct communication with stakeholders. The company website has been set up to disclose information on the company's finances, business operations, corporate governance, and stock affairs agency. 5. State of continuing education of directors and	

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			supervisors The Company's directors, according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," have all met the legally required hours of continuing education for directors (including Independent Directors) in the most recent year. For related information, see Table 2. 6. Implementation status of risk management policies and risk measurement standards The Company formulates and abides by various internal regulations according to the law to control risks. Each unit regularly reviews and identifies whether there are any risks or information security incidents, analyzes and assesses the changes in related risks regularly, and takes appropriate measures. An annual performance report is presented at the Risk Management Committee and reported to the Board of Directors annually. 7. Implementation of customer policies To maintain a good customer emotional relationship, the Company has aggressively set up service locations worldwide, and organized sound educational and training services to improve the quality of customer service agents. We insist on amicability, passion, and high efficiency when it comes to treating customers, and on health, uniqueness, and high environmental friendliness when it comes to product quality. 8. The company's purchase of liability insurance for directors and supervisors The company has purchased liability insurance for directors and key personnel, and submitted it for approval by the Board of Directors.	

IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center:
The Company is formulating improvement measures in response to the Corporate Governance

Evaluation Items	The State of Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
Evaluation results.				

Table 1: Accountant Independence Assessment Standards

Evaluation Items	Evaluation result	Independence
1. Whether there is a direct or significant indirect financial interest relationship between the certified accountant and the company.	No	Yes
2. Whether there is a significant and close commercial relationship between the certified accountant and the company.	No	Yes
3. Whether the certified accountant has a potential employment relationship when auditing the company.	No	Yes
4. Whether the certified accountant has any money loans or borrowings from the company.	No	Yes
5. Whether the certified accountant has received gifts or gifts of significant value from the company and its directors and managers (the value of which exceeds ordinary social etiquette standards).	No	Yes
6. Whether the certified accountant has provided audit services to the company for seven consecutive years.	No	Yes
7. Whether the certified accountant holds shares in the company.	No	Yes
8. Whether the certified accountant, his/her spouse or dependent relatives, or his/her audit team has served as a director or manager of the company or held a position that has a significant impact on the audit case during the audit period or within the last two years, or whether they will hold the above-mentioned related positions during the future audit period.	No	Yes
9. Whether the certified accountant has complied with the independence standards of Accountant Professional Ethics Bulletin No. 18 and obtained the "Declaration of Independence" issued by the certified accountant.	Yes	Yes

Table 2: Directors' Continuing Education in 2025

Job title	Name	Course date	Organizer	Course name	Hours
Independent Director	Cheng, Hung-Hui	2025/07/04	National Federation of CPA Associations	Analysis of Differences Between ROC GAAP Accounting Standards Bulletins and the Latest IFRS Endorsed by the FSC	3
		2025/08/12	National Federation of CPA Associations	Succession Strategy of the Accounting Firm	3
Independent Director	Yang, Hao-Ming	2025/05/27	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3
		2025/06/18	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3
Independent Director	Liu, Tin-Hsuan	2025/05/27	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3
		2025/06/18	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3
Independent Director	Lo, Shu-Chen	2025/12/19	Taipei Foundation Of Finance	Outlook 2026: Key Indicators and Trend Analysis of the International Political and Economic Situation	3
		2025/12/30	Taiwan Project Management Association	Corporate Sustainable Development and Lean Production	3
Representative of a corporate director	Tsao, Hsien-Chang	2025/05/27	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3
		2025/06/18	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3
Representative of a corporate director	Tsai, Sheng-Hang	2025/05/27	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3
		2025/06/18	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3
Representative of a corporate director	Tsao, Ya-Lin	2025/06/18	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3
		2025/07/09	Greater China Financial and Economic Development Association (CFEDA)	The Impact of Trump 2.0 on the Global Economy	3
Director	Huang, Tien-Hua	2025/05/27	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3
		2025/06/18	Taiwan Project Management Association	Digital Technology and AI Trends: Risks and Opportunities for Business Operations	3

(V) The composition, duties, and operation status of the Remuneration Committee

1. Professional qualifications and experience of Remuneration Committee members

<table>
<tr><th>Identity Category</th><th>Name</th><th>Professional qualifications and experience</th><th>Independence status</th><th>Number of other public companies at which the person concurrently serves as remuneration committee member</th></tr>
<tr><td>Independent Director</td><td>Cheng, Chun-Jen</td><td>Have work experience in commerce and the work experience necessary for the business of the company.</td><td rowspan="5">1. The person, or the spouse or a relative within second degree of kinship of the person does not serve as a director, supervisor, or employee of the Company or its affiliates.
2. The person, or the spouse or a relative within second degree of kinship of the person does not hold the Company's shares under either their own name or another person's name.
3. Not a director, supervisor, or employee of a company having specific relations with the Company.
4. Not a person who provided commercial, legal, financial, or accounting service to the Company or its affiliates in exchange for compensation in the past two years.</td><td>1</td></tr>
<tr><td>Independent Director</td><td>Cheng, Hung-Hui</td><td>A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.</td><td>1</td></tr>
<tr><td>Independent Director</td><td>Yang, Hao-Ming</td><td>Have work experience in commerce and the work experience necessary for the business of the company.</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Liu, Tin-Hsuan</td><td>Have work experience in commerce and the work experience necessary for the business of the company.</td><td>-</td></tr>
<tr><td>Independent Director</td><td>Lo, Shu-Chen</td><td>Have work experience in commerce and the work experience necessary for the business of the company.</td><td>-</td></tr>
</table>

2. Duties of Remuneration Committee Members

Members of the Committee shall exercise the due care of a good administrator, faithfully fulfill the following duties and powers, and submit their suggestions to the Board of Directors for discussion:

(1) The committee is also responsible for formulating, and regularly reviewing, the policy, system, standard, and structure pertaining to performance evaluation and remuneration of directors and managers.

(2) The committee is also responsible for regularly reviewing, and then determining, the remuneration of directors and managers.

3. Operation of the Remuneration Committee

(1) The Company's Remuneration Committee is composed of four members.

(2) Term of office of the current Committee members: June 25, 2024 to June 24, 2027 (5th term)

In 2025, a total of six (A) Remuneration Committee meetings were held; below are the attendance of members and their qualifications:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remark
Convener	Cheng, Hung-Hui	6	-	100%	-
Member	Yang, Hao-Ming	6	-	100%	-
Member	Liu, Tin-Hsuan	6	-	100%	-
Member	Lo, Shu-Chen	6	-	100%	-

Other information required to be disclosed: ：

I. If the board of directors does not adopt or amend the recommendations from the Remuneration Committee, it shall clarify the date, session, proposal content and resolution of the board and how the Company handles the recommendations of the Committee (such as that the remuneration approved by the board is better than what the Committee recommended, and the differences and reasons should be clarified) ：

Date	No. of the term of the Remuneration Committee	Motion content	The opinions of all members and the company's response thereto
2025/01/13	The 3rd Meeting of the 5th Term	Proposal for Distribution of Employee Bonus to Management for Q4 2024 Proposal for Lunar New Year Bonus for Management in 2024	All members approved and passed the proposal
2025/03/11	The 4th Meeting of the 5th Term	Proposal for Distribution of Employee Compensation and Directors' Remuneration for 2024	
2025/04/10	The 5th Meeting of the 5th Term	Proposal for the Sixth Transfer of Treasury Shares to Employees under the First Share Buyback Program (2020)	
2025/05/12	The 6th Meeting of the 5th Term	Proposal for Q1 2025 Employee Bonus Distribution to Management and Salary Adjustment for Management	
2025/08/11	The 7th Meeting of the 5th Term	Proposal for Q2 2025 Employee Bonus Distribution to Management Proposal for Defining the Scope of Entry-Level Employees of the Company	
2025/11/11	The 8th Meeting of the 5th Term	Proposal for Q3 2025 Employee Bonus Distribution to Management	

II. If the Remuneration Committee members have objections or reservations and there are records or written statements from the meetings, the date, term, proposal content, opinions of all members and the handling of their opinions shall be clearly specified: No such occurrence.

(VI) The Risk Management Committee's composition, responsibilities and operations

The company established a risk management committee on November 9, 2022, which is composed of four independent directors to improve risk governance and improve the effectiveness of the board of directors.

1. Information on Risk Management Committee Members

Identity Category	Qualification / Name	Professional qualifications and experience
Convener	Cheng, Chun-Jen	Have work experience in commerce and the work experience necessary for the business of the company
Independent Director	Cheng, Hung-Hui	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.
Independent Director	Yang, Hao-Ming	Have work experience in commerce and the work experience necessary for the business of the company
Independent Director	Liu, Tin-Hsuan	Have work experience in commerce and the work experience necessary for the business of the company

2. Duties of the Risk Management Committee

(1) Responsible for the overall risk management of the Company, formulating risk management policies, structure, organization and mechanism, and establishing qualitative and quantitative management standards.

(2) The Board of Directors makes risk management decisions and regularly reviews the development, establishment and effectiveness of the Company's overall risk management mechanism.

(3) Review of early warning of significant risk issues and review of loss events and response measures.

(4) To supervise and manage the overall risk control improvement mechanism of the Company and its subsidiaries.

(5) We review and consolidate all risk management reports and submit annual reports to the Board of Directors. We also make timely responses to the Board of Directors on the implementation of risk management and propose necessary improvements.

(6) Other significant risk matters stipulated by the Company or the competent authorities.

3. Operation of the Risk Management Committee

Term of the current committee members: June 25, 2024 to June 25, 2027 (2nd term).

In 2025, the Risk Committee held one meeting (A). The qualifications of the members and their attendance are set out below:

Job title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remark
Convener	Cheng, Hung-Hui	1	-	100%	-
Member	Yang, Hao-Ming	1	-	100%	-
Member	Liu, Tin-Hsuan	1	-	100%	-
Member	Lo, Shu-Chen	1	-	100%	-

(VII) Promotion of Sustainable Development - Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		1. The Company designates the Board of Directors as the highest decision-making unit for sustainability-related matters. The "Corporate Social Responsibility Task Force" is responsible for promoting sustainability-related issues. On January 13, 2025, the Board of Directors officially approved the establishment of the "Sustainable Development Committee" as a dedicated unit, composed of four Independent Directors, the Vice President, and the chief financial officer. The tenure is the same as that of the appointed Board of Directors. The Vice President serves as the Convener, responsible for planning and reviewing strategies and systems related to sustainable development, social responsibility, and ethical management. Under this role, three task forces—Environmental Sustainability, Social Responsibility, and Corporate Governance—are established to execute and enhance these strategies. The outcomes of sustainable development execution and future work plans are reported to the Board of Directors regularly (at least once a year). 2. The Board of Directors receives regular annual reports from the management team (including ESG reports) to confirm the company's sustainable development and ESG management policies. They supervise, track, and review the management team's.	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			annual sustainable development execution and the achievement of performance targets When necessary, they urge the management team to make adjustments to strengthen the corporate structure. 3. The 2025 Sustainability Report is expected to be submitted to the Board of Directors for approval in August 2026 and subsequently published.	
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?	V		To identify and manage sustainability risks, the Company follows the GRI Universal Standards and uses a positive and negative impact questionnaire to determine the scope and boundaries through the identification of the company's management. It also considers issues of concern from regular communication channels and their impact on the company's operations. Ultimately, it summarizes them into major considerations based on high concern and high impact. Incorporate significant topics into the daily risk management system, striving to maintain a comprehensive risk management system with joint participation and promotion by the company's Board of Directors, management personnel at all levels, and employees to mitigate the impact of related risks. Relevant risk identification and response measures are disclosed in the Company's sustainability report.	No significant deviation.
III. Environmental Issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		The Company has formulated the operating procedures for the autonomous management system regarding environmental protection and occupational safety and health (OSH), and will irregularly audit the OSH and continuously maintain the effectiveness of the system. In 2008, obtained the ISO 14001 International environment management certification, achieving	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			pollution prevention and environmental protection through international verification. (The latest certificate is valid from April 3, 2024 to April 19, 2027)	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V		The Company's corporate culture emphasizes implementation of environmental protection measures. Below is a description of the concrete measures: 1. Simple packaging: Upholding the ideal of "less is more," the Company worked with film producers and has developed packaging film that can fully wrap products while reducing 70% of materials used. In addition, the wood flooring packed in paper boxes is also made from environmentally friendly materials and thus can substantially reduce the emission of carbon dioxide. 2. Use no substance that will impact the environment: All the raw materials used by the Company, including wood, coatings, and panels, are environmentally friendly and non-toxic, and can be fully recycled and reused without leaving any hazardous substance that will impact the environment. 3. Focus on research and development of low-formaldehyde materials: The Company never ceases to research and develop a method capable of reducing the use of formaldehyde. All its wood veneer products are Grade F1, which indicates a formaldehyde content far lower than the standard level set forth by the EU, Taiwan's MOEA, or The Ministry of Agriculture, Forestry and Fisheries of Japan; in doing so, the Company stringently safeguards consumers' health. 4. Promote office paper saving, replace paper with e-mail, increase online sign-off, reduce the use of paper and toner, and strengthen resource recycling and garbage classification to improve the utilization of various resources.	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		The Company regularly holds awareness sessions on energy conservation and carbon reduction and posts slogans to raise employees' awareness of a sustainable environment. In support of the energy conservation and carbon reduction policy, the Company assigns employees uniform, which will be collected back and laundered together at regular intervals, and in this way supports environmental protection. As for the energy conservation and carbon reduction practices, the central air conditioning system is set to a fixed temperature during the summer to reduce GHG emissions; employees ae encouraged to use reusable food ware; and office equipment may be used only when such use meets the principle of energy conservation and resources reuse.	No significant deviation.
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and total weight of waste for the past two years, and formulate policies for greenhouse gas emissions reduction, water consumption reduction, or other waste management?	V		The Company's carbon dioxide emissions were 4,168 tonnes CO_2e in 2024 and 3,933 tonnes CO_2e in 2025.The Company's total water consumption was 47,858 cubic meters in 2024 and 61,401 cubic meters in 2025.The Company's total waste was 572.75 metric tons in 2024 and 528.13 metric tons in 2025. The Company has established the "Energy Saving and Carbon Reduction Management Guidelines." It promotes the use of double-sided printing prior to paper recycling, resulting in a reduction of paper consumption by more than 50%. In addition, the Company encourages the use of email, video conferencing, and other remote communication methods, which effectively reduce carbon emissions in both recruitment and corporate communications.	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			The Company regards waste management as a key priority for environmental sustainability. In accordance with the principles of reduction, resource recovery, and harmless treatment, it implements waste reduction at the source, waste sorting and recycling, and lawful disposal. The Company has established relevant management procedures in compliance with the Waste Disposal Act. It strengthens collection and disposal management, and reduces waste while improving recycling rates through process optimization, automation implementation, and resource recycling mechanisms, thereby promoting the development of a circular economy. In terms of water resource management, the Company continues to promote water conservation and water recycling initiatives. Through internal campaigns on water-saving awareness, water-saving signage in restrooms, installation of water softeners in cafeteria water tanks, regular inspections of water facilities, and water quality testing, the Company reduces unnecessary water consumption in daily operations. In addition, it optimizes process cooling systems, installs nitrogen tanks to enhance heat exchange efficiency, and establishes a rainwater harvesting system for landscape irrigation, thereby reducing the use of tap water. Going forward, the Company will continue to promote energy conservation, carbon reduction, and greenhouse gas mitigation measures, with a target of reducing carbon emissions by 1% annually. At the same time, it will implement various water-saving improvement initiatives to enhance water use efficiency by 1%, thereby fulfilling its commitment to environmental sustainability.	

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	V		The Company acts by labor laws and regulations, respects the internationally recognized basic labor rights and principles, and ensures labor interests; in addition, by referencing the "Act of Gender Equality in Employment" and the "Employment Service Act," it has also formulated an employment policy that does not discriminate and ensured the equality of compensation, employment conditions, and promotion opportunities. Our company has formulated a "Corporate Human Rights Policy" by referencing human rights norms such as the UN Guiding Principles for Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights of Work, and the Universal Declaration of Human Rights. We are committed to implementing and adhering to these norms to ensure respect for and protection of human rights. The Human Resources Department is responsible for the formulation, implementation, and review of this human rights policy. Each department is responsible for implementing relevant human rights management measures according to the nature of its business.	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation, and other benefits) and appropriately reflected the business performance or results in the employee remuneration?	V		The Company's Articles of Incorporation stipulates that no less than 2% of the annual earnings, if any, be paid as employee compensation. The Company properly assures employees' salary and benefits and, by adopting control measures through implementing the internal control system and salary operating procedures, ensures that salary will meet the minimum wages. In addition, the Company has also set up internal regulations governing performance management and rewards and discipline, whereby all employees are regularly evaluated for their performance; their behavior is also included in the performance evaluation criteria, and they will receive specific rewards and discipline based on their behavior. The Company's compensation system for entry-level employees takes into account both years of service and annual performance evaluation results in determining salary adjustments, with the aim of motivating all employees to work toward the Company's objectives.In addition, with respect to employee remuneration, the Board of Directors resolved on March 11, 2025 to amend the Company's Articles of Incorporation, stipulating that not less than 1% of annual profits shall be appropriated for distribution to entry-level employees.	No significant deviation.
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	V		New employees are offered the training courses on labor-related issues, environmental protection, safety and health, and ethics. In addition, regular employee health checks and occasional health activities are conducted every year to maintain employees' physical and mental well-being. In addition, the Company has formulated the "Regulations for Occupational Safety and Health	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			Training" to avoid the occurrence of occupational incidents and enhance the awareness of hazards and hazard prevention. In 2025, the Company recorded zero fire incidents and zero fatalities or injuries. The rate of fatalities and injuries relative to total employees was 0%.In response to fire risk management, the Company implemented various improvement measures, including strengthening on-site safety management, providing employee training on fire prevention and response skills, installing advanced fire alarm and fire suppression systems, and conducting regular inspection and maintenance of related equipment.	
(IV) Has the Company established an effective career development training program for employees?	V		The Company attaches great importance to employee training and development. To provide a specific career development roadmap, the Company has formulated the "Regulations for Education and Training" to encourage employees to improve their professional knowledge and skills.	No significant deviation.
(V) Regarding issues such as customer health and safety, customer privacy, marketing, and labelling of products and services, does the company comply with relevant laws and regulations and international standards, and has it established relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	V		Our company complies with relevant laws and regulations and has established various management procedures and internal control measures to standardize research and development, procurement, production, operations, and service processes. We spare no effort in protecting the rights and interests of our customers and consumers, providing a transparent and accessible service hotline for consumers to report and file complaints regarding product-related issues. The marketing and labeling of our products and services are conducted in accordance with relevant domestic and international laws and regulations.	No significant deviation.

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
(VI)Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		The Company has formulated its "Supplier Management Regulations" and "Procedures for Payment Request by Vendors." Prior to deciding to do business with a supplier, the purchasing unit is required to comprehensively assess the supplier in terms of "Quality," "Lead time," "Environmental and occupational safety performance," "Money flow management," and "Communication and service." If the supplier violates the Company's corporate social responsibility policy, the Company may terminate the business relationship at any time. To uphold social benefits, all contracts signed with suppliers specify that if the supplier gives false representation in the contract, the Company may terminate the contract at any time and demand damages.	No significant deviation.
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability report and other reports which disclose the Company's non-financial information? Does the company obtain third-party assurance or certification for the said reports?	V		The Company's 2025 Sustainability Report, which is expected to be published by August 2026, will be prepared in accordance with the Global Reporting Initiative (GRI) Standards. The report will be disclosed on the Company's website to provide access to non-financial information, including corporate social responsibility-related information.	No significant deviation.
VI. If the Company has adopted its own sustainable development best-practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The company has formulated the "Corporate Social Responsibility Standards" in 2017, and the overall operation situation is not significantly different from the "Code of Practice on Sustainable Responsibility for Listed Over-the-Counter Companies".				

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	

VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:

(I) Contribution of earnings to society annually

1. Emergency disaster relief: In 2024, the Company donated NT$2 million to support disaster relief efforts following the Noto Peninsula earthquake in Japan. In 2025, the Company donated NT$1 million in response to the overflow disaster of the Mataian River landslide dam in Guangfu Township, Hualien County, Taiwan, to assist in victim resettlement, post-disaster reconstruction, and the provision of essential supplies.

2.Caring for disadvantaged groups: In 2024, the Company collaborated with “Shou Ai Xin” to invite visually impaired massage therapists to provide regular stress-relief and relaxation services for employees at the workplace.

3.Winter support initiatives: In 2025, the Company donated NT$100,000 to the Xishe Community Longevity Club and provided sponsorship of NT$80,000 for school renovation projects.

4.Tree-planting and public welfare initiatives: Since 2018, under the theme “Reserving a Future Forest,” the Company has annually adopted forest land as part of its ongoing commitment to environmental conservation.In 2024, the Company partnered with DOMI Green to hold a meaningful tree-planting event in Yilan County, where 150 precious Litsea cubeba seedlings (maqaw trees) were planted, with an estimated carbon reduction of 3,000–4,000 kg. The event was organized under the theme of “net-zero emissions,” and participants used public transportation and environmentally friendly products, replacing single-use bottled water and disposable tableware to integrate sustainability into every action.In 2025, the Company collaborated with the sustainable tourism team “Island Walk” to organize a beach cleanup event at Zhuangwei Beach in Yilan. The event gathered approximately 200 participants, including shareholders, employees, and their families, who collectively removed 400.9 kg of marine debris.Through these initiatives, the Company aims to raise public awareness of social responsibility and environmental protection, demonstrating its continued commitment to sustainability and environmental stewardship.

5.Public resource donations: In 2024, the Company donated two disaster assessment vehicles to the New Taipei City Fire Department, supporting firefighters and volunteer firefighters in responding to various emergencies more safely and efficiently in life-saving rescue operations. In addition, the Company contributed NT$2 million to National Taiwan University’s “Centennial Supporters” fundraising program to assist in the construction of the NTU Centennial Memorial Hall and campus development projects.In 2025, the Company donated a batch of high-performance cold-weather rescue equipment to the Special Search and Rescue Team of the New Taipei City Fire Department, with a total value of approximately NT$850,000. The equipment played a critical supporting role in disaster relief operations in Hualien, providing essential protection and support for frontline responders.Through these concrete actions, the Company actively participates in post-disaster recovery efforts and demonstrates its commitment to social care and sustainable responsibility.

(II) Foster forestry professionals in campus

Industry-Academia Cooperation can advance industry technologies and ensure students a job upon graduation, thereby creating a win-win situation. Therefore, we organize free seminars for students of

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
design-related departments every year, hoping to provide them with the knowledge of the wood manufacturing industry. The [KD Design College Elite Scholarship] was established to encourage students with excellent academic performance from colleges and universities across the country. That's why we also launch the plan to recruit reserve talents from the forestry department in order to provide the youth with the quickest and direct access to employment. Through the Kedinger cultivation plan, the Company has fostered a great deal of professional, excellent talents, thereby increasing the international competitiveness of its brand. (III) Labor rights The Company abides by relevant labor laws and regulations; the appointment and dismissal and remuneration of employees are based on the Company's internal control system and regulations in order to ensure employees' basis rights. In addition, an open and clear complaint-filing mechanism is provided to employees, and the HR Department will properly handle the case before closing it. In addition, an employee health check is organized at a fixed interval every year. Moreover, continuous education and training and awareness session help foster employees' emergency response capability and safety awareness, raise their recognition capability, and reduce the occurrence of incidents as a result of unsafe behavior.				

(VIII) Implementation status of climate-related information：

Item	Implementation status
1. Explain the Boards of Directors and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors is the highest governance unit for the company's climate issues, responsible for overseeing climate-related risks and opportunities. In January 2025, a Sustainable Development Committee was additionally established to promote related policies in accordance with the regulations of the competent authority. Regular meetings are held on domestic and international climate-related issues to assist the Board in supervising the company's sustainable development. The execution of targets is tracked annually and reported regularly to the Board of Directors.
2. Explain how the identified climate risks and opportunities affect the company's business, strategy, and financial aspects (short-term, mid-term, long-term).	Risks related to business, strategy, and financial aspects: Short-term: Fluctuations in raw material prices, construction delays, and disruptions in material transportation affect the company's profitability. Mid-term: The increasing frequency of extreme weather events impacts corporate electricity consumption and governmental electricity tariff policies, resulting in financial impacts on businesses. Long-term: Changes in low-carbon and energy policies lead to increased long-term operating and investment costs. Opportunities related to business, strategy, and financial aspects: Short term: Reassess internal management mechanisms to conserve energy and improve production efficiency. Mid-term: Enhance the market competitiveness and economic value of the product through resource recycling. Long-term: Analyze and evaluate business items that can be developed under the impact of climate change to increase the company's revenue sources.
3. Explain the impact of extreme weather events and transition actions on financials.	Potential Financial Impact of Climate Risks: 1. Extreme weather conditions may impact the supply chain, such as causing work stoppages due to disaster prevention measures and transportation disruptions. 2. The extreme weather indirectly leads to an increase in office and consumer goods prices due to increased electricity Volume and tariffs. Transition actions: 1. The Company can implement remote meetings to reduce energy consumption and carbon emissions generated by off-site meetings. 2. If the company has strategies to cope with extreme weather

Item	Implementation status
	conditions, such as increasing the weight of green procurement, setting energy-saving goals, or developing green energy investments, the extent of impact can be reduced.
4. Explain how the processes of identifying, assessing, and managing climate risks are integrated into the overall risk management system.	The Sustainability Development Committee carries out the evaluation work, formulates adaptation and mitigation strategies, and submits the evaluation results to the Board of Directors. If the evaluation result indicates major risk issues, the committee should monitor and regularly track the progress of the response strategies, and report the overall risk improvement actions to the Board of Directors to ensure alignment with the company's sustainability strategy.
5. If scenario analysis is used to assess resilience to climate change risks, an explanation should be provided of the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.	The Sustainability Promotion Team evaluates climate risks and opportunities by referencing TCFD's official risk list and related information. Then, based on the RCP 8.5 climate scenario, they assess the potential impacts of climate disasters. By utilizing public climate models and chart websites, such as the "Taiwan Climate Change Projection and Adaptation Knowledge Platform" and the "3D Disaster Potential Map," they analyze possible physical climate disasters to assess the potential impacts and effects in the face of the most extreme climate conditions. Under the RCP 8.5 climate scenario assumption, extreme weather conditions, though causing disasters like heavy rain, may lead to interruptions due to disaster prevention measures, but the impact on the company is minimal.
6. If there is a transition plan to manage climate-related risks, provide an explanation of the Content of the plan, as well as the metrics and targets used to identify and manage physical and transition risks.	To achieve the goal of carbon neutrality by 2050, The Company will develop a low-carbon transition plan in the future, which includes: Short Term (1 year): Plan and implement carbon reduction projects and various energy-saving measures to reduce potential financial impacts. Mid-term (3 years): Continue conducting greenhouse gas inventories and commission third-party verification. Long-term (2050): Achieve net-zero emissions target by 2050.
7. If using internal carbon pricing as a planning tool, the	The Company currently does not use internal carbon pricing as a planning tool, but in the future, it will consider planning for its introduction

Item	Implementation status
explanation of the price-setting basis should be provided.	based on government regulations and international trends.
8. If climate-related targets are set, an explanation should be provided of the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress achieved, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, an explanation should be provided of the source and quantity of carbon offset credits or the quantity of RECs.	Short Term (1 year): Plan and implement carbon reduction projects and various energy-saving measures to reduce potential financial impacts. Mid-term (3 years): Continue conducting greenhouse gas inventories and commission third-party verification. Long-term (2050): Achieve net-zero emissions target by 2050.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans (to be filled out in sections 1-1 and 1-2).	

1-1 Greenhouse gas inventory and assurance status for the most recent two years

1-1-1 Greenhouse gas inventory information

State the greenhouse gas emissions for the most recent two years (tons of CO2e), intensity (tons of CO2e/million dollars), and the data coverage scope. 。
Greenhouse gas emissions volume： 2025: Scope 1 emissions: 1,001 tCO_2e; Scope 2 emissions: 2,932 tCO_2e; total emissions: 3,933 tCO_2e. 2024: Scope 1 emissions: 971 tCO_2e; Scope 2 emissions: 3,197 tCO_2e; total emissions: 4,168 tCO_2e. 排放密集度： 2025: 1.513 tCO_2e per NT$1 million of revenue 2024: 1.665 tCO_2e per NT$1 million of revenue

1-1-2 Greenhouse gas assurance information

Explanation of the assurance status for the most recent two years up to the publication date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinions.
Our company will plan the verification schedule in accordance with legal requirements in the future.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans

State the baseline year and data for greenhouse gas reduction, reduction targets, strategies, and specific action plans, as well as the achievement status of the reduction targets.
Our company will plan the verification schedule in accordance with legal requirements in the future.

(IX) Implementation of Ethical Corporate Management and the Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof

Evaluation Items	The State of Operation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
I. Formulate ethical corporate management policy and plan (I) Does the company have an ethical corporate management policy and measures approved by its Board of Directors, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V V		(I) The Company has formulated its "Regulations for Ethical Corporate Management," which sets out specific code of conduct regarding ethical corporate management policy or measures. The Company strictly forbids any giving or taking of bribes and blackmail, and demands that employees actively identify and improve our day-to-day conduct, so as to improve our ethics and morality. (II) The Company has formulated its "Ethical Corporate Management Operating Procedures and Code of Conduct," which clearly forbids "Offering and acceptance of bribes," "Illegal political donations," "Improper charitable donations or sponsorship," "Offering or acceptance of unreasonable presents or hospitality, or other improper benefits," "Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights," and "Insider trading." Violators of such ethical corporate management principles will be discharged or laid off according to applicable laws, by-laws, or the Company's personnel regulations if such violation is considered material.	No significant deviation.

Evaluation Items	The State of Operation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(III) New employees, when joining the Company, are given education and training, in which they are reminded to abide by the regulations. In addition, the Company also enhance the awareness session, in which the code of conduct of "not receiving gifts from outsiders" is disseminated, so as to enhance their awareness of ethics. If employees are involved in corruption, they will be punished by the Company's "Personnel Management Regulations."	
II. Fulfillment of ethical corporate management (I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(I) When executing a contract with others, the Company must fully understand their implementation of ethical corporate management, and is obliged to include its "Regulations for Ethical Corporate Management" in the contract. The Company's employees must avoid doing business agents, suppliers, customers, or any counterparty which are involved in unethical conduct. If those with which the Company is doing business are found to be involved in unethical conduct, the Company must immediately stop doing business with them and put them on the blacklist, so as to implement the Company's ethical corporate management policy.	No significant deviation.
(II) Has the company set up a dedicated unit to promote ethical corporate	V		(II) The Company promotes ethical management through the Management Unit, which, based on the roles and	

Evaluation Items	The State of Operation Y	N	Summary Description	Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?			scope of work of each unit, assists the Board of Directors and management in formulating and supervising the implementation of ethical management policies and preventive measures to ensure the fulfillment of ethical management principles. It reports to the Board of Directors regularly each year on its progress. The implementation status for 2025 was reported to the Board of Directors on March 9, 2026.	
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(III) Relevant regulations are set out in the Company's internal control systems, e.g. "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," "Code of Ethical Conduct for Directors and Managers," and "Ethical Corporate Management Best Practice Principles".	
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(IV) The Company abides by the requirements of law and continues to revise its internal control system; it also audits and assesses the effectiveness of the implementation of its internal control system. The Audit Office incorporates the risk assessment results and the audit items required by law into the annual audit plan every year, and regularly reports to the Board of Directors on the audit results and improvement status. The Company's accounting system is formulated by the requirements of law. Attesting CPAs also audit or review the Company's financial statements in each quarter and	

Evaluation Items	The State of Operation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		issue an audit report thereof, and regularly report on the audit or review results. (V) The Company disseminates the idea of ethical corporate management at each meeting at irregular intervals and, whenever required, will hold education and training on ethical corporate management at regular or irregular intervals in the future.	
III. The operation of the Company's whistleblower reporting system (I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels and designate responsible individuals to handle the complaints received?	V		(一) The Company has formulated its "Regulations for Ethical Corporate Management" and "Personnel Management Charter." If employees spot any violation of the ethical corporate management regulations, they may report such violation through the employees' email box disclosed on the Company's website. If an investigation confirms the violation, the violator will be punished according to the Company's rewards and discipline system.	No significant deviation.

(II)	Does the Company establish standard operating procedures for investigating the complaints received and the related confidentiality measures?	V		The Company has established a whistleblowing mechanism. Any person who discovers or becomes aware of any conduct by the Company's personnel that may violate the principles of ethical corporate management, applicable laws and regulations, or the Company's internal policies may report such conduct through the Company's designated whistleblowing channels. Upon receipt of a whistleblowing report, the competent department shall conduct a preliminary review and investigation based on the nature of the case. Where necessary, a special investigation team may be established or relevant departments may be engaged to assist in the investigation. The investigation shall be completed and the results reported as promptly as practicable, taking into account the complexity of the case. Where a violation is substantiated, the Company shall immediately require the responsible person to cease the relevant conduct and shall impose appropriate disciplinary actions, corrective measures, or other necessary actions depending on the severity of the violation. Where the conduct involves any violation of applicable laws or regulations, the Company shall handle the matter in accordance with the law and, where appropriate, pursue legal remedies, including claims for damages, in order to safeguard the Company's rights and interests. The Company maintains the confidentiality of the whistleblower's identity, the contents of the report, and the investigation process. Access to relevant information is restricted to authorized personnel only. The Company also prohibits any improper treatment or retaliatory action against	No significant deviation.

Evaluation Items	The State of Operation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
			whistleblowers as a result of their reports, thereby protecting their legitimate rights and interests.	
(III) Does the Company adopt proper measures to shield a whistleblower from retaliation for filing grievances?	V		(三) The Company keeps the investigation content and results strictly confidential to ensure that the interests of related personnel won't be jeopardized, and adopts appropriate protection measures to prevent the whistleblower from retaliation.	No significant deviation.
IV. Enhance Information Disclosure Does the Company disclose the content and implementation results of its Ethical Corporate Management Best-Practice Principles on its website and the MOPS?	V		The Company's official website has an "Investors' Relations" zone, where the information on the Company's corporate governance and ethical corporate management is disclosed in an honest, specific, and open manner. Investors may obtain information on the content and implementation effectiveness of the Ethical Corporate Management Best Practice Principles through the annual report.	No significant deviation.
V. If the company has adopted its own ethical corporate management best-practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The "Regulations for Ethical Corporate Management" established on November 9, 2017 by which the Company operates does not deviate significantly from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies."				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g. the company's reviewing and amending of its ethical corporate management best-practice principles) 1. The Company examines the various operation procedures for daily operations and designs a proper internal control mechanism for the operation incidental to potential risk of corruption, so as to prevent, and reduce the possibility of, corruption conduct. The Company's audit unit regularly				

Evaluation Items	The State of Operation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary Description	
assesses the management effectiveness of the internal control system; collects executives' suggestions on each potential risk (including frauds and corruption) to formulate an appropriate audit plan and carry out audit accordingly; and reports on the audit results to the Board of Directors so that the Company's management can understand the current state of corporate governance and achieve management objectives. 2. For other information regarding the Company's ethical corporate management, see the Investors' Relation zone on the Company's website.				

(X) Other important information conductive to understanding the operations of corporate governance may be disclosed：

1. The Board of Directors appointed Lin, Mei-Wen, deputy manager of the Accounting Department, as the Company's Director of Corporate Governance, and had the stock affairs unit execute matters relating to corporate governance, e.g. handling matters relating to board meetings and shareholders' meetings according to laws; producing minutes of board meetings and shareholders' meetings; reviewing and revising the Company's Corporate Governance Best Practice Principles and other regulations at regular intervals; furnishing information required for business execution by directors and the Audit Committee; organizing continuing education courses for directors regularly; and reporting to the Board of Directors on the operation of corporate governance at regular intervals every year.
2. The Company has formulated its "Operating Procedures for Processing of Material Inside Information and Prevention of Insider Trading" to provide a basis for the material information processing and disclosure mechanism, and regularly reviews such procedures to align them with current laws and by-laws and practical requirements. These procedures are disclosed on the Company's official website for managers and employees around the world to consult at any time. Meanwhile, insiders are regularly informed of the matters that require special attention when it comes to material inside information.

(XI) State of implementation of the internal control system

1. Statement of Internal Control System

Please refer to the Market Observation Post System (MOPS) website:

(1) Path (New MOPS): Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement

(2) Website: https://mops.twse.com.tw/mops/#/web/t06sg20

2. Where a CPA is engaged to conduct a special audit of the internal control system, the CPA’s audit report shall be disclosed: N/A.

(XII) Material resolutions of a shareholders' meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Major resolutions of the general meeting of shareholders:

The Company held its 2024 Annual General Shareholders' Meeting on June 25, 2025. The resolutions approved by the attending shareholders and their implementation status are set out below:

Important resolution matters	Implementation status
1.Proposal for the acknowledgment of the Company's 2024 financial statements and business report.	Resolution passed.
2.Proposal for the acknowledgment of the Company's 2024 earnings distribution.	Resolution passed. 1.For the first half of 2024, a cash dividend of NT$4.35 per share was distributed, with the record date set on September 30, 2024, and fully paid on October 21, 2024. 2.For the second half of 2024, a cash dividend of NT$3.00 per share was distributed, with the record date set on July 6, 2025, and fully paid on July 23, 2025.
3. Amendment to the Company's Corporate Charter, submitted for discussion.	Resolution passed. It was approved and registered by the Ministry of Economic Affairs on July 21, 2025, and announced on the Company's website.

2. Major resolutions of the board of directors:

In 2025 and up to the date of publication of this annual report, the Company held a total of 9 meetings of the Board of Directors. The summaries of major resolutions are set out below:

Date	Meeting title	Content
2025/01/23	The 6th Meeting of the 10th Term	Proposal 1: Proposal for the Establishment of Subsidiaries in the United Kingdom and Germany Proposal 2: Proposal to Review the Distribution of Employee Bonus to Management for Q4 2024 Proposal 3: Proposal to Review the 2024 Lunar New Year Bonus for Management Proposal 4:Proposal Regarding the Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of December 2024 Proposal 5: Proposal for the Establishment of the "Sustainability Development Committee" and Appointment of Its Members
2025/03/11	The 7th Meeting of the 10th Term	Proposal 1: The Company's 2024 Financial Statements and Business Report Proposal 2: The Company's 2024 Internal Control System Statement Proposal 3: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of February 2025 Proposal 4: Application for Credit Facilities with Financial Institutions Proposal 5: 2025 Business Plan and Annual Budget Proposal 6: Evaluation of the Independence and Competence of the Company's Auditors for 2025 Proposal 7: Change of the Company's Certifying CPA Starting from Q1 2025 Proposal 8: Appointment and Remuneration of the Company's Certifying

Date	Meeting title	Content
		CPA for 2025 Proposal 9: Amendments to the Company's Articles of Incorporation Proposal 10: Amendments to the Authorization Matrix (Approval Authority and Operating Limits) Proposal 11: Distribution of Employee Compensation and Directors' Remuneration for 2024 Proposal 12: Convening of the 2025 Annual General Shareholders' Meeting and Its Agenda
2025/04/10	The 8th Meeting of the 10th Term	Proposal 1: Sixth Transfer to Employees under the Company's First Share Buyback Program (2020) Proposal 2: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of March 2025 Proposal 3: Loan to Subsidiary in Japan
2025/05/12	The 9th Meeting of the 10th Term	Proposal 1: Employee Bonus Distribution for Management for Q1 2025 and Salary Adjustment for Management Proposal 2: Cancellation of Treasury Shares and Determination of the Capital Reduction Record Date Proposal 3: Distribution of Earnings for the Second Half of 2024 Proposal 4: Distribution of 2024 Annual Earnings Proposal 5: 2025 Q1 Financial Report of the Company Proposal 6: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of April 2025 Proposal 7: Execution Report on the Improvement Plan for Over-Limit Loans to Subsidiaries Proposal 8: Application for Credit Facilities with Financial Institutions Proposal 9: Additional Matters for the 2025 Annual General Shareholders' Meeting
2025/08/11	The 10th Meeting of the 10th Term	Proposal 1: Employee Bonus Distribution for Management for Q2 2025 Proposal 2: 2025 Q2 Financial Report of the Company Proposal 3: Application for Credit Facilities with Financial Institutions Proposal 4: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of July 2025 Proposal 5: Definition of the Scope of Entry-Level Employees of the Company Proposal 6: 2024 Sustainability Report of the Company
2025/10/02	The 11th Meeting of the 10th Term	Proposal 1: Distribution of Earnings for the First Half of 2025 Proposal 2: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of August 2025 Proposal 3: Amendments to the Company's Authorization Matrix (Approval Authority and Operating Standards)
2025/11/11	The 12th Meeting of the 10th Term	Proposal 1: 2025 Q3 Financial Report of the Company Proposal 2: Review of Employee Bonus Distribution for Management for Q3 2025 Proposal 3: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of October 2025 Proposal 4: Execution Status of the Improvement Plan for Over-Limit Loans of Keding (Shanghai) Trading Co., Ltd. Proposal 5: Application for Credit Facilities with Financial Institutions Proposal 6: 2026 Internal Audit Plan of the Company
2026/01/26	The 13th Meeting of the 10th Term	Proposal 1: Loan to Subsidiary in Japan Proposal 2: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of December 2025 Proposal 3: Application for Credit Facilities with Financial Institutions

Date	Meeting title	Content
		Proposal 4: Change of the Company's Certifying CPA Starting from Q4 2025 Proposal 5: Evaluation of the Independence and Competence of the Company's Certifying CPA for 2026 Proposal 6: Amendments to the Company's Authorization Matrix (Approval Authority and Operating Standards) Proposal 7: Review of Employee Bonus Distribution for Management for Q4 2025 Proposal 8: Review of the 2025 Lunar New Year Bonus for Management
2026/03/09	The 14th Meeting of the 10th Term	Proposal 1: The Company's 2025 Financial Statements and Business Report Proposal 2: The Company's 2025 Internal Control System Statement Proposal 3: Proposal to Authorize Board Members to Sign Internal Audit Reports Proposal 4: Reclassification of Accounts Receivable from Subsidiaries as Loans to Third Parties as of the End of January 2026 Proposal 5: Application for Credit Facilities with Financial Institutions Proposal 6: Loan to Subsidiary in Japan Proposal 7: 2026 Business Plan and Annual Budget Proposal 8: Appointment and Remuneration of the Company's Certifying CPA for 2026 Proposal 9: Distribution of Employee Compensation and Directors' Remuneration for 2025 Proposal 10: Management Promotion and Salary Adjustment Proposal 11: Amendments to the Company's Authorization Matrix (Approval Authority and Operating Standards) Proposal 12: Amendments to the Company's Articles of Incorporation Proposal 13: Issuance of Restricted Stock Awards to Employees Proposal 14: Convening of the 2026 Annual General Shareholders' Meeting and Its Agenda

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

III. Audit Fees of Independent Auditors

(I) Audit Fees of attesting CPAs

Unit: NT$1,000

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee (Note)	Total	Remark
Deloitte & Touche Taiwan	Tsai Yu-Ling Wu Shih-Tsung	2025. 01. 01~2025. 09. 30	4, 045	725	4, 770	－
	Yu Chih-Feng Tsai Yu-Ling	2025. 10. 01~2025. 12. 31				

Note: Mainly fees for taxation documents attestation and transfer pricing.

(II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: No such occurrence.

(III) If the audit fees have decreased by 10 percent or more compared to the previous year, the amount, percentage, and reasons for the decrease shall be disclosed: No such occurrence.

IV. Information on Replacement of CPAs

(I) Information on the Predecessor CPA

<table>
<tr><td>Date of Change</td><td colspan="3">Approved by the Board of Directors on March 11, 2025.</td></tr>
<tr><td>Reason for Change and Explanation</td><td colspan="3">In accordance with applicable regulations requiring audit partner rotation, the Company’s lead signing CPA will be changed from CPA Chuang Pi-Yu to CPA Tsai Yu-Ling starting from 2025. The co-signing CPA will continue to be CPA Wu Shih-Tsung.</td></tr>
<tr><td rowspan="3">The explanation is that the appointment was terminated by either the client or the CPA, or the CPA declined to accept the engagement.</td><td>The relevant party
Status</td><td>CPA</td><td>Client</td></tr>
<tr><td>Voluntary termination of the engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Decline to continue the engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="3">Audit opinions other than unqualified opinions and related reasons in the past two years</td><td>None</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure in financial reporting</td></tr>
<tr><td></td><td>Audit scope or procedures</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>No</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Explanation</td></tr>
<tr><td colspan="3">Other Disclosure Matters
(Matters required to be disclosed under Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of these Standards)</td><td>No</td></tr>
</table>

Date of Change	Approved by the Board of Directors on March 9, 2026.

<table>
<tr><td>Reason for Change and Explanation</td><td colspan="4">In accordance with applicable regulations requiring audit partner rotation, the Company's lead signing CPA will be changed from CPA Tsai Yu-Ling to CPA Yu Chih-Feng starting from 2026. The co-signing from CPA Wu Shih-Tsung. to CPA Tsai Yu-Ling.</td></tr>
<tr><td rowspan="3">The explanation is that the appointment was terminated by either the client or the CPA, or the CPA declined to accept the engagement.</td><td colspan="2">The relevant party / Status</td><td>CPA</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary termination of the engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">Decline to continue the engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="4">Audit opinions other than unqualified opinions and the reasons thereof in audit reports issued within the most recent two years</td><td>No</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting Policies or Practices</td></tr>
<tr><td></td><td colspan="2">Financial Statement Disclosures</td></tr>
<tr><td></td><td colspan="2">Audit Scope or Procedures Performed</td></tr>
<tr><td></td><td colspan="2">Other</td></tr>
<tr><td>No</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Explanation</td></tr>
<tr><td colspan="4">Other Disclosure Matters
(Matters required to be disclosed under Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of these Standards)</td><td>No</td></tr>
</table>

(II) Information on the Successor CPA

Name of Audit Firm	Deloitte & Touche
Name of CPA	CPA Tsai Yu-Ling、CPA Tsai Yu-Ling
Date of Appointment	Approved by the Board of Directors on March 9, 2026
Consultations prior to appointment regarding the accounting treatment of specific transactions or accounting principles, and the possible audit opinion on the financial statements, as well as the related conclusions	No
Written opinions of the successor CPA regarding disagreements with the predecessor CPA	No

（IV） Reply from the predecessor CPA regarding matters specified in Article 10, Paragraph 5, Subparagraph 1 and Item 3 of Subparagraph 2 of these Standards: None.

V. Circumstances in which the Chairman of the Board, President, or officers in charge of financial or accounting matters of the Company has worked in the

firm of the CPA or its affiliated companies within the last year: Not applicable.

VI. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent.

(I) Change in shareholding: The Company has duly announced on the MOPS [Insiders' Shareholding Change Post-Declaration Form].Website: https://mops.twse.com.tw/mops/#/web/query6_1

(II) Where the counterparty to the equity transfer is a related party: None.

(III) Where the counterparty to the equity pledge is a related party: None.

VII. Information on the 10 largest shareholders who are a related party, spouse, or relative within the second degree of kinship of one another

Shareholding record date: April 30, 2026; Unit: shares; Percentage: %

Name	Number of shares held by the person		Number of shares held by the person's spouse and/or minor children		Number of shares held under another person's name		The name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
Yangding Investment Co., Ltd.	18,163,858	22.54%	–	–	–	–	–	–	–
Representative: Tsao, Hsien-Chang	39,600	0.05%	15,300	0.02%	–	–	Zhou Ding Investment Co., Ltd. Representative: Chen, Mei-Yun	spouse	–
Zhou Ding Investment Co., Ltd.	16,218,666	20.13%	–	–	–	–	–	–	–
Representative: Chen, Mei-Yun	15,300	0.02%	39,600	0.05%	–	–	Yangding Investment Co., Ltd Representative: Tsao, Hsien-Chang	spouse	–
Yi Zheng Investment Co., Ltd.	10,239,301	12.71%	–	–	–	–	–	–	–
Representative: Chen, Huai-Jhen	26,174	0.03%	–	–	–	–	–	–	–
RAINBOW JOY INVESTMENT LIMITED	6,452,372	8.01%	–	–	–	–	–	–	–
Representative: Liu, Yu-Ling	11,330	0.01%	2,047,000	2.54%	–	–	Huang, Tien-Hua	spouse	–
Huang, Tien-Hua	2,047,000	2.54%	11,300	0.01%	–	–	RAINBOW JOY INVESTMENT LIMITED Representative: Liu, Yu-Ling Zhengyi Investment Co., Ltd. Representative: Huang, Shu-Fen	spouse Relative within the second degree of kinship	–
Tsao, Chun-Hua	1,676,773	2.08%	–	–	–	–	–	–	–
Zhengyi Investment Co., Ltd.	1,344,586	1.67%	–	–	–	–	–	–	–
Representative: Huang, Shu-Fen	727,626	0.90%	–	–	–	–	Huang, Tien-Hua	Relative within the second degree of kinship	–
CTBC Bank as the custodian of the dedicated trust accounts of Huang, Tien-Hua's assets	1,300,000	1.61%	–	–	–	–	–	–	–

Name	Number of shares held by the person		Number of shares held by the person's spouse and/or minor children		Number of shares held under another person's name		The name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
Yongfeng Commercial Bank entrusts the trust property account of the Employee Stock Trust Management Committee of Keding Enterprise Co., Ltd.	1,131,350	1.40%	–	–	–	–	–	–	–
Yuan Ding Investment Co., Ltd.	849,735	1.05%	–	–	–	–	–	–	–
Representative: Zeng, Cing-Shan	150,704	0.19%	–	–	–	–	–	–	–

Note: As of April 30, 2026 (the shareholding record date), the Company held 2,014 thousand treasury shares, accounting for 2.5% of total shares outstanding.

VIII. The total number of shares and the consolidated equity stake percentageheld in any single investee enterprise by the Company, its directors,supervisors, managerial officers, or any companies controlled either directlyor indirectly by the Company

December 31, 2025; Unit: thousand shares; %

Investee (Note)	The Company's investment		Investment made by the Company's directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company		Combined investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Keding Enterprises Co., Ltd.	4,510	100.00	0	0	4,510	100.00
Keding (Hong Kong) Enterprises Limited	(Note)	100.00	0	0	(Note)	100.00
Keding Enterprises Pte.Ltd.	(Note)	100.00	0	0	(Note)	100.00
Keding Enterprises Sdn. Bhd.	(Note)	100.00	0	0	(Note)	100.00
Keding Enterprises Inc.	110	100.00	0	0	110	100.00
Keding Enterprises Private Limited	1,200	100.00	0	0	1,200	100.00
PT Keding Panels Indonesia	37.53	60.00	0	0	37.53	60.00
Keding Enterprise, Llc	(Note)	100.00	0	0	(Note)	100.00
Keding Vietnam Co., Ltd	(Note)	100.00	0	0	(Note)	100.00
Keding Enterprises（Korea）Co., Ltd.	20	100.00	0	0	20	100.00
Keding Enterprises（Thailand）Co., Ltd.	30	100.00	0	0	30	100.00
Keding Enterprises (Australia) Pty Ltd	0.1	100.00	0	0	0.1	100.00
Keding Japan Inc.	10,000	100.00	0	0	10,000	100.00
Keding Enterprises （UK） Ltd.	50	100.00	0	0	50	100.00
Yang Jin Co., Ltd.	(Note)	100.00	0	0	(Note)	100.00
Keding (Shanghai) Trading Co., Ltd.	(Note)	100.00	0	0	(Note)	100.00
Keding (Wuxi) New Decorative Materials Co., Ltd.	(Note)	100.00	0	0	(Note)	100.00

Note: It is a limited company, so it does not have any shares.

III. Fund Raising Status

I. Company Capital and Shares

(I) Source of share capital

Unit: New Taiwan dollars; shares

Year and month	Issue price (NT$)	Authorized capital		Paid-in Capital		Remark		
		Number of shares (in shares)	Amount (NT$)	Number of shares (in shares)	Amount (NT$)	Source of share capital	Share subscription payments that are an asset other than cash	Others
2024.02	10	100,000,000	1,000,000,000	82,181,347	821,813,470	可轉換公司債轉換 81,479,400	無	經授商字第11330015650號
2025.05	-	100,000,000	1,000,000,000	80,571,817	805,718,170	Cancellation of treasury shares 16,095,300	無	No. 11430068650, issued by the Department of Commerce

As of May 1, 2026; Unit: shares

Type of shares	Authorized capital			Remark
	Outstanding shares (Note)	Un-issued shares	Total	
Common shares	80,571,817	19,428,183	100,000,000	TWSE-listed shares

Note: Outstanding shares including 2,014 thousand shares held by the Company.

Information on shelf-registration: Not applicable.

(II) List of major shareholder

Shareholding record date: April 30, 2026; Unit: shares

Shares / Name of major shareholde	持有股數	持股比例(%)
Yangding Investment Co., Ltd.	18,163,858	22.54%
Zhou Ding Investment Co., Ltd.	16,218,666	20.13%
Yi Zheng Investment Co., Ltd.	10,239,301	12.71%
RAINBOW JOY INVESTMENT LIMITED	6,452,372	8.01%
Huang, Tien-Hua	2,047,000	2.54%
Tsao, Chun-Hua	1,676,773	2.08%
Zhengyi Investment Co., Ltd.	1,344,586	1.67%
CTBC Bank as the custodian of the dedicated trust accounts of Huang, Tien-Hua's assets	1,300,000	1.61%
Yongfeng Commercial Bank entrusts the trust property account of the Employee Stock Trust Management Committee of Keding Enterprise Co., Ltd.	1,131,350	1.40%
Yuan Ding Investment Co., Ltd.	849,735	1.05%

Note: As of the shareholding record date of April 30, 2026, the Company held 2,014 thousand treasury shares, representing 2.5% of total shares outstanding.

(III) The Company's dividend policy and implementation thereof

1. Dividend policy adopted in the company's articles of incorporation

Dividend policy stipulated in Article 20 of the Company's Articles of Incorporation is as follows:

The Company's dividend distribution policy must consider current and future investment environment, capital needs, state of competition at home and abroad, and capital budgets, taking into account shareholders' interests and the Company's long-term financial planning. If the Company is in deficit in the current year or has earnings in previous years, the earnings in previous years may be distributed. However, if the accumulated distributable earnings in the current year (i.e. distributable earnings plus undistributed earnings in previous years) are less than 10% of the Company's paid-in capital, the Company may elect not to distribute dividends or bonus to shareholders. Dividends or bonus to be distributed to shareholders may be distributed in cash or in shares, but the cash dividends must constitute at least 20% of total dividends distributed. The said distribution percentage may be adjusted through a resolution adopted by the Shareholders' Meeting depending on the profits and fund position in the given year.

The said distribution percentage may be adjusted through a resolution adopted by the Shareholders' Meeting depending on the profits and fund position in the given year.

In addition, according to the Articles of Incorporation amended at the shareholders' meeting dated July 28, 2021, the Company must distribute earnings or compensate for prior losses after each half of a fiscal year, in which case the Board of Directors is authorized to distribute distributable dividends and bonus, in whole or in part, in cash through a special resolution, and to report such distribution at the Shareholders' Meeting.

2. Proposal on dividend distribution adopted by this shareholders' meeting:

The proposal for the distribution of the Company’s 2025 earnings was approved by the Board of Directors on October 2, 2025 and May 12, 2026. The Company’s beginning retained earnings amounted to NT$392,189,834. Net profit for 2025 was NT$307,600,953, less the impact of treasury share cancellation of NT$60,971,464. After appropriating 10% of net profit as legal reserve of NT$24,662,949 and special reserve of NT$5,102,640 in accordance with applicable regulations, the distributable earnings amounted to NT$609,053,734.On October 2, 2025, the Board resolved to distribute cash dividends of NT$94,269,380, equivalent to NT$1.2 per share. On May 12, 2026, the Board further resolved to distribute cash dividends of NT$377,077,522, equivalent to NT$4.8 per share.The above proposed dividend distribution will be submitted to the Annual General Shareholders’ Meeting on June 29, 2026 for approval.

3. Is there any significant change in the expected dividend policy: No.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: None.

(V) Compensation to employees and directors

1. The percentages or ranges with respect to employee and director profit-sharing compensation, as set forth in the company's articles of incorporation:

The clauses in Article 19 of the Company's Articles of Incorporation are as follows:

No less than 2% of the annual earnings, if any, shall be paid as employee compensation, either in stocks or in cash as determined by the Board of Directors. Employee compensation may also be distributed to employees of affiliates who meet certain criteria. The Company may allocate no greater than 2% of the said annual earnings as directors' compensation. However, if the Company is still in deficit, an amount equal to such deficit shall be reserved in the first place.

The term "annual earnings" mentioned in paragraph 1 means the pre-tax profits in the current year inclusive of employee compensation and director compensation.

Distribution of employee compensation and director compensation may be made by a majority vote at a Board of Directors meeting attended by two-thirds or more of all directors, and must be reported at the Shareholders' Meeting.

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

The Company estimates employee compensation by multiplying a certain percentage by the Company's annual profits (i.e. pre-tax profits inclusive of employee compensation and director compensation). Director compensation is directly recognized at the estimated amount, and presented as operating costs or operating expenses. If employee compensation is distributed in shares, the number of shares to be distributed shall be calculated by factoring in the closing price of the common share on the day prior to the date on which the Board reaches a resolution. If the amount changes after the publication date of the financial statements in the following year, such changes are accounted for as changes in accounting estimates, and will be recognized in the profit or loss of the following year.

3. The amount of compensation to be distributed that is approved by the Board of Directors, and assumption-based calculation of the earnings per share.

(1) The Company intends to distribute cash in the amount of NT$9,597 thousand as employee compensation to employees at home and abroad. No director compensation will be distributed.

(2) If there is any discrepancy between the distributed amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: The company's actual distribution amount is no different from the recognized amount.

4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year:

(1) Actual distribution of employee and directors' remuneration for the previous year: No directors' remuneration was distributed. Employee remuneration of NT$9,597 thousand was distributed in cash.

(2) Differences between the proposed distribution resolved by the Board of Directors and the actual distribution: There was no difference between the actual amount of employee remuneration distributed for fiscal year 2024 and the amount originally proposed and resolved by the Board of Directors.

(VI) Status of a company repurchasing its own shares:

1. Completed：

As of April 30, 2026

Number of repurchases	The first time	The third time	The fourth time
Date of Major Resolutions of the Board of Directors	Date of Major Resolutions of the Board of Directors	Date of Major Resolutions of the Board of Directors	Date of Major Resolutions of the Board of Directors
Purpose of repurchase	Purpose of repurchase	Purpose of repurchase	Purpose of repurchase
Repurchase period	March 18, 2020 ~ May 17, 2020	March 16, 2023 ~ May 15, 2023	July 5, 2024 ~ September 4, 2024
Repurchase range price	$24 ~ $57	$86 ~ $190	$86 ~ $187
Type and quantity of shares repurchased	Common shares 4,000,000 shares	Common shares 1,059,000 shares	Common shares 955,000 shares
Amount of shares repurchased	165,010,171	136,454,770	132,153,583

Number of repurchases	The first time	The third time	The fourth time
The percentage (%) of repurchased quantity against the intended repurchase quantity.	100%	70.60%	79.58%
Quantity of shares canceled and transferred	4, 000, 000 shares	Have not yet transferred.	Have not yet transferred.
Accumulated number of shares held of The Company	0 shares	1, 059, 000 shares	2, 014, 000 shares
Accumulated number of shares held of The Company as a percentage (%) of the total number of issued shares.	0%	1. 31%	2. 50%

II. Issuance of Corporate Bonds (Including Foreign Bonds)

(I) Corporate bonds information: None.

(II) Information on convertible corporate bonds: None.

(III) Exchangeable corporate bonds: None.

(IV) Issuance of Corporate Bonds Under Shelf Registration: None.

(V) Corporate Bonds With Warrants: None.

III. Issuance of Preferred Shares (Including Preferred Shares with a Stock Warrant): None.

IV. Issuance of Global Depository Receipt: None.

V. Issuance of Employee Stock Warrant

(I) The annual report shall disclose unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report, and shall explain the effect of such warrants upon shareholders' equity: None.

(II) The annual report shall also disclose the names of the ten employees holding employee subscription warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the date of publication of the annual report: Not applicable.

VI. Issuance of New Restricted Employee Shares

(I) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: The Company did not issue any restricted employee shares,so this requirement is not applicable.

(II) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report: Not applicable.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies

(I) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication ofthe annual report, the company has completed any issuance of new shares in connection with a merger oracquisition or with acquisition of shares of any other company: None.

(II) Where the board of directors has, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, adopted a resolution approving any issuance of shares in connection with a merger or acquisition or with acquisition of shares of any other company: None.

VIII. Implementation of Capital Allocation Plans

Please refer to the Market Observation Post System (MOPS), Taiwan Stock Exchange website:

1. Path: Single Company → Shareholding Change / Securities Issuance → Fund Raising → Execution of Fund Raising Plan

2. Website: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

IV. Operational Highlights

I. Business Activities

(I) Business Scope

1. Main business activities: Interior decoration materials such as KD Panels, KD Flooring, ECO+ Panels, ECO+ Laminates, KD Modular Cabinets, KD Room Doors, ECO+ Bathroom Cabinets, and other interior decorating materials.

2. Main products' weight of operating revenue

單位：新台幣仟元

Product \ Year	2024		2025	
	Amount	Percentage (%)	Amount	Percentage (%)
KD Panels	926,394	37.01	770,138	29.62
ECO+ Panels	1,206,775	48.21	1,153,392	44.36
ECO+ Laminates	205,862	8.22	331,969	12.77
KD Flooring	45,776	1.83	57,737	2.22
KD Modular Cabinets	68,068	2.72	100,848	3.88
KD Interior Doors	17,667	0.71	78,029	3.00
Other	32,788	1.30	107,779	4.15
Total	2,503,330	100.00	2,599,891	100.00

Note: Known as wood veneer/decorative panel/decorative veneer in China.

3. Current product (service) items and usage

Product category	Main use and function
KD Panels	Used in interior decorative elements, e.g. cabinets, doors, ceilings, and walls.
ECO+ Panels	Used in interior decorative elements, e.g. cabinets, doors, ceilings, and walls.
TRUE+ Panels	Used in interior decorative elements, e.g. cabinets, doors, ceilings, and walls.
ECO+ Laminates	Used in interior decorative elements, e.g. cabinets, doors, ceilings, and walls.
KD Chipboard	Used in modular cabinets, doors, and other interior decorative elements.
KD Flooring	Flooring materials for indoor spaces, including hand-scraped wood flooring, laminate flooring, and SPC flooring.
KD Modular Cabinets	Applied in whole-house storage planning, providing modular, quick-assembly systems such as cabinets and wardrobes, effectively reducing on-site construction time.
ECO+ Bathroom Vanity Cabinet	Provides a variety of combination options, combining practicality and design, suitable for various bathroom spaces, balancing aesthetics and storage functionality.
KD Interior Doors	Used in interior spaces, it provides a quick installation solution that leaves wall structures clean and undamaged, enhancing both the aesthetic appeal and practicality of the space.
Other	Comprehensive interior renovation materials and building products, including kitchen cabinets, engineered wood core boards, and strong adhesives.

4. New products (services) planned for development

Keding Enterprises, leveraging its long-established expertise in prefinished veneered panels technology, focuses on the research and development of building materials with strong market potential, and continues to drive product innovation and application expansion through a blue ocean strategy.In recent years, the Company has successively developed product series such as ECO+ Laminates, Keding Interior Doors, TRUE^{+} Panels, and Keding SPC Flooring, and plans to further launch black-edge flooring and solid-core flooring. At the same time, the Company is expanding into a broader range of building materials, including carpets, aluminum-plastic panels, soft stone panels, and acoustic panels, in order to strengthen its cost and application advantages in the interior decoration market and provide a more complete and consistent one-stop building materials solution.Through a horizontal diversification strategy, the Company is committed to addressing the limitations of traditional interior decoration materials and establishing an integrated service system characterized by design consistency and construction efficiency. Meanwhile, it continues to optimize its digital platform capabilities and efficient product promotion channels to enhance service efficiency and meet the diverse needs of various application scenarios.

(II) Industry overview

1. Industry overview and development

Incorporated in 2002, the Company mainly produces and sells prefinished veneered panels, KD Flooring, and ECO+ Panels. The production base is located in Dapumei Industrial Park in Chiayi. The Company's subsidiaries also set up a local service base in mainland China, Hong Kong, Malaysia, Singapore, the Philippines and India to serve local customers.

According to the definition in the Standard Industrial Classification of the Republic of China (Rev.11) published by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the Company falls under the "Wood and Bamboo Products Manufacturing" industry, which mainly provides the materials required for building renovation and interior decoration and for which the demand mainly comes from the "Specialized Construction Activities" industry and the "Building Completion and Finishing" industry under the "Construction" category. Below is the name of industries and their definition:

<table>
<tr><th colspan="2">Industry name</th><th>Definition</th></tr>
<tr><td colspan="2">Wood and Bamboo Products Manufacturing</td><td>The industry engaged in the manufacturing of manufacturing materials, semi-finished products, or finished products using wood, bamboo, rattan, wicker, or softwood. Excluding the manufacturing of furniture made mainly from wood, bamboo, or rattan, which is categorized under the 3211 sub-category "Wood Furniture Manufacturing."</td></tr>
<tr><td rowspan="3">Construction Industry</td><td>Construction and Engineering Industry</td><td>The building construction industry engaged in the construction, remodeling, maintenance and repair of residential and non-residential buildings.</td></tr>
<tr><td>Civil Engineering Industry</td><td>The industry engaged in the construction, remodeling, and maintenance and repair of public civil engineering work, e.g. roads, bridges, public work and facilities, and harbors.</td></tr>
<tr><td>Specialized Construction Activities</td><td>The industry engaged in a specific part of the construction and civil engineering work, e.g. site preparation, foundation, structure, gardening and landscaping, construction equipment installation, building</td></tr>
</table>

Industry name		Definition
		completion and decoration.
Interior Decoration		The industry engaged in indoor/outdoor decoration of buildings and civil engineering structures, e.g. water-proofing, heat-insulation, and sound insulation work; installation of doors and windows; installation of glass; painting; installation of wallpaper; installation of tiles; installation of flooring; installation of kitchenware; and installation of system furniture.

Data source: Standard Industrial Classification of the Republic of China (Rev.11), Directorate General of Budget, Accounting and Statistics, Executive Yuan

According to the information compiled by the Taiwan Economic Research Institute's Industrial Economics Database, the sub-sector of the completed construction and decoration industry includes "waterproofing, heat insulation, sound insulation, and other isolation works," "window and door installation," "glass paneling," "painting," "wall decorations," "ceramic tiles," "flooring installation," and "systematic cabinetry installation. flooring installation" and "system cabinet installation". The construction completion and decoration works industry mainly focuses on interior and exterior decoration works for various structures. The sources of business include the house construction and decoration works released by real estate developers near the completion of their projects, and the decoration works derived from the purchase of houses and factories by corporations in response to the actual needs for investment or office and factory business, and even the interior renovation works are also directly related to the interior decoration works of the public who engage in real estate investment or house purchases for home exchange. Even the public's investment in real estate or purchase and exchange of houses are also directly related to interior renovation works.

A. Marketplace overview

With the increasing awareness of home quality, the renovation and design market is set for steady growth in 2024. KD Enterprise will continue to deepen its operations and expand its market. Since 2020, we have been expanding into the Southeast Asian and Middle Eastern markets. In 2021, the launch of ECO^{+} Panels drove revenue growth. In 2022, the KD Modular Cabinets expanded application fields, and in 2023, the ECO^{+} Laminates broke market stereotypes and strengthened brand positioning. In 2024, KD Interior Doors will be launched, integrating the selection of panels, cabinets, and door materials to create a one-stop spatial solution, enhancing overall design integration capability. KD continues to use a product strategy that emphasizes systematization, eco-friendliness, and diversification to expand market coverage and steadily accumulate the brand's long-term competitiveness.

Below is a description of the current marketplace and future development in Taiwan and China：

(1) Taiwan

According to the basic data on the Interior Decoration Industry contained in a report released by the Taiwan Institute of Economic Research (TIER), Taiwan's traditional building decoration industry is gradually expanding to the current interior design and decoration field, signifying that the Interior Decoration Industry already possesses the potential for growth in society. Unfortunately, in the past, those in the Interior Decoration Industry were not equal in terms of quality; some of them even had insufficient understanding of the Building Act or fire safety and disaster prevention and thus often damaged the structural components of a building, putting safety at great stake. Therefore, the government believed it necessary to set up a system for, manage, and give guidelines for, the interior decoration work and the companies involved, and had already put the interior design and decoration market under its supervision. In the past, the Interior Decoration Industry correlated highly with the Building Construction Industry, so the business performance of the Interior Decoration Industry was roughly the same as the historical performance of the Building Construction Industry.

Domestic sales account for more than 90% of the revenue of the Wood and Bamboo Products Manufacturing in Taiwan. This is because Taiwan's real estate market bottomed out at the end of 2016; the gradual return of large construction projects and housing unit transaction volume effectively supported the sales of plywood for construction use and wood containers for decoration and ornamentation use; the improvement in the public work market in Taiwan drove up the demand for plywood for construction use; and the government was increasing its policy support for this industry - all of which have revived the domestic sale market for Taiwan's wood and bamboo products. As Taiwan's economic climate gradually and steadily picks up, coupled with the improvement in the flame-retardant, anti-corrosive, and wood-boring insects prevention technologies and the prevalence of environmental awareness, wood containers have gained stable sales momentum. In addition, the price war waged by industry peers in China and Southeast Asia countries also impact the export of such products.

Percentage of domestic sales and exports of Taiwan's Wood and Bamboo Products Manufacturing

Weight/percentage	2021	2022	2023	2024	2025
Percentage of domestic sales	89%	88%	88%	88%	90%
Percentage of exports	11%	12%	12%	12%	10%

Data source: Compiled from MOEA's Statistics Database

In addition, the current status of Prefinished veneered panels, KD Wooden flooring and ECO+ Panels, KD Modular Cabinets, ECO+ Laminates, KD Cabinet Doors, KD Interior Doors, etc. in Taiwan is described as follows:

a. KD Panels

In the early days of interior decoration in Taiwan, unfinished veneered panels were commonly used. Unfinished veneered panels, abbreviated as UV panels, can be used as surface decorative materials for cabinets, doors, walls, ceilings, partitions, and more. After nailing and pasting, they are painted on-site by professional painters. However, this process often leads to various issues and disputes, such as uneven staining, color discrepancies after staining, and time-consuming on-site painting. Traditional painting methods also involve the use of harmful substances like toluene and other neurotoxins, posing health risks to both construction workers and homeowners. With the introduction of KD Panels, these problems have been addressed. KD Panels use paint materials certified with the Healthy Green Building Materials Label, and painting is completed before leaving the factory, reducing the workload by 4/5. Additionally, all products use F1 low formaldehyde plywood, ensuring the strictest standards for the health of residents. Currently, manufacturers of prefinished veneered panels mainly target the domestic market in Taiwan. However, our company's sales territory extends to mainland China, Singapore, Malaysia, the Philippines, India, Indonesia, Vietnam, Thailand, and the United States.

b. KD Flooring

Wood flooring products are primarily categorized into solid wood flooring, engineered wood flooring, laminate flooring, and SPC flooring. Solid wood flooring is made by cutting a single piece of natural timber and features natural grain patterns; however, it is susceptible to deformation caused by humidity and temperature fluctuations. Engineered wood flooring consists of a real wood veneer layer combined with a plywood core structure, offering both aesthetic appeal and dimensional stability, effectively reducing expansion and contraction. Laminate flooring is constructed with a scratch-resistant surface layer and a moisture-resistant, sound-absorbing core, providing high durability and making it suitable for high-traffic areas. SPC flooring (stone plastic composite flooring) is a relatively new building material that has gained popularity in recent years. It is made with a stone-plastic composite core, offering excellent waterproof and wear-resistant properties, making it suitable for environments with higher humidity.Keding Enterprises is a leading brand of wood flooring among publicly listed companies in Taiwan, with product lines covering engineered KDFlooring, laminate flooring, and SPC flooring. Its engineered KD hand-scraped wood flooring combines handcrafted scraping and staining techniques by experienced artisans, preserving the natural texture of solid wood while enhancing slip resistance and safety. The laminate flooring is manufactured with a high-density wear-resistant surface and a stable core layer, delivering excellent scratch resistance, water resistance, and anti-deformation performance, while maintaining the brand's signature wood-grain aesthetics. Keding SPC flooring offers outstanding waterproof, moisture-resistant, and impact-resistant performance, and features special long-plank specifications together with synchronized embossing technology, creating a vivid and natural visual appearance. All product lines are provided with professional installation services, achieving a perfect balance between functional aesthetics and construction efficiency.

c. ECO+ Panels

ECO$^+$ Panels are made of food-grade PP raw materials, which are formaldehyde-free, plasticizer-free and melamine-free, and are widely used in baby pacifiers, coffee cup lids, food microwave containers, and so on, and are suitable for temperatures ranging from -20℃ to 120℃. The panels have been continuously enhanced by strengthening the PP coating technology to greatly improve the protection of the panels, and have passed SGS tests for scratch and abrasion resistance, acid and alkali resistance, stain resistance, flame resistance, and antibacterial properties. For daily maintenance, they can be wiped directly with a dry or wet rag, featuring easy maintenance. In order to make the ECO$^+$ Panels more unique, we have invested in KD's exclusive wood texture database and special color paints in the production process, so that the wood texture reaches a super-realistic effect, and we have also developed a wide range of textures for different materials, such as marble texture, water molding, painting, mosaic, and pure colors, so that we can provide a wide range of product styles to satisfy various scenes.

d.KD Modular Cabinets

Keding Enterprises provides comprehensive modular cabinet services, strictly implementing a standardized workflow from precise measurement to on-site installation. Through modular assembly technology, the Company achieves rapid completion and significantly shortens on-site construction time.The product offerings include over one hundred customizable panel combinations. For exterior cabinet surfaces, ECO+ Panels are recommended to deliver highly realistic wood-grain textures and vivid aesthetic appeal. For interior cabinet structures, KD Chipboard or Starlight Realistic Panels can be selected based on project requirements, ensuring perfect color coordination between interior and exterior finishes.All panel series are made from carefully selected eco-friendly and non-toxic materials and have passed multiple quality inspections to further enhance health and safety standards. This effectively addresses the integration challenges of design consistency and construction efficiency in interior cabinetry solutions.

e.ECO+ Laminates

ECO+ Laminates builds upon the essence of ECO+ Panels to deliver a new experience in surface finishing materials. It is made from non-toxic, food-grade PP raw materials, featuring scratch resistance, wear resistance, and flexibility without cracking, making installation and cutting easier and more efficient.The eco-friendly laminate adopts ultra-realistic printing technology, offering a wide range of surface designs, including hyper-realistic wood grains, distinctive material textures, and classic solid colors. Its through-color layered structure also achieves a seamless visual effect, meeting comprehensive design requirements.In terms of customization, the maximum length can reach up to 36 feet, providing enhanced support for various project types, including commercial spaces with high ceilings.

f.KD Cabinet Doors

Building on the KD Modular Cabinets system, Keding Enterprises has launched a series of cabinet door products designed for modular furniture applications. The substrate can be selected according to project requirements, including low-formaldehyde F1-grade engineered wood core board with high load-bearing strength or particle board.For surface materials, options include coated veneer panels or eco-friendly PP panels. The products adopt machine-based thick edge banding, and the rounded edge finishing enhances structural stability, improves tactile quality, and significantly elevates overall finishing standards.

g.Starlight Realistic Panels

Starlight Realistic Panels are available in both PVC and melamine-faced specifications, and the entire product series complies with national F1 formaldehyde emission standards, offering a high cost-performance ratio while delivering a highly realistic natural material appearance.The surface features a matte visual finish with wear-resistant, scratch-resistant, and stain-resistant properties, making it easy to maintain and effectively reducing fingerprint residue while maintaining long-term surface flatness.In terms of functional applications, the PVC specification emphasizes waterproof and moisture-resistant performance, making it suitable for humid environments such as kitchen and bathroom dry areas. The melamine specification incorporates synchronized embossing technology, maximizing the replication of real wood grain texture and tactile feel, and also offers excellent thermal stability, remaining unaffected by changes in temperature and humidity.Through highly realistic manufacturing technology, this product series addresses challenges related to color inconsistency and construction efficiency in interior decoration, providing a comprehensive surfacing solution that integrates health, aesthetics, and durability.

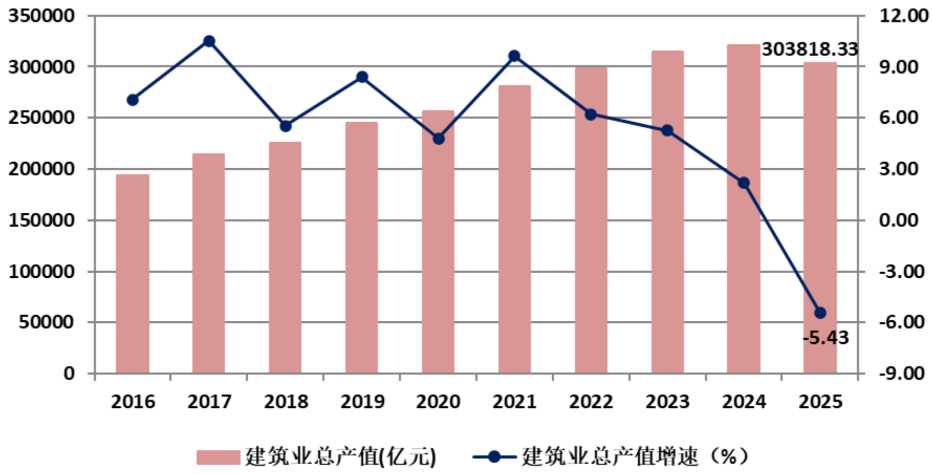
(2) China

In July 1998, the State Council of the People’s Republic of China issued the “Notice on Further Deepening the Reform of Urban Housing System and Accelerating Housing Construction,” which promoted the marketization and privatization of the housing sector and laid the foundation for the long-term growth of the construction and real estate industries. With the accelerated urbanization process in 2003, public demand for construction shifted from traditional residential functionality to a greater emphasis on aesthetics and environmental quality, thereby driving the professional specialization of the architectural decoration industry.

However, as the market has entered a mature stage and structural adjustment phase, industry momentum has shifted from large-scale development to stock housing renovation and upgrading. The competitive focus has also moved from production scale to technological innovation, health and environmental sustainability, and construction efficiency. Although China remains the world's largest producer of wood-based products, the industry is facing slowing demand, and new decorative materials characterized by high cost-performance, environmental friendliness, and one-stop service capabilities have become the core drivers of market transformation.

According to the "2025 Statistical Analysis of Construction Industry Development" released by the China Construction Industry Association, the total output value of the construction decoration industry increased from RMB 19,356.6 billion in 2016 to RMB 30,381.8 billion in 2025. However, it decreased by 6.95% compared with 2024, and the growth rate declined by 9.28 percentage points compared with the previous year.

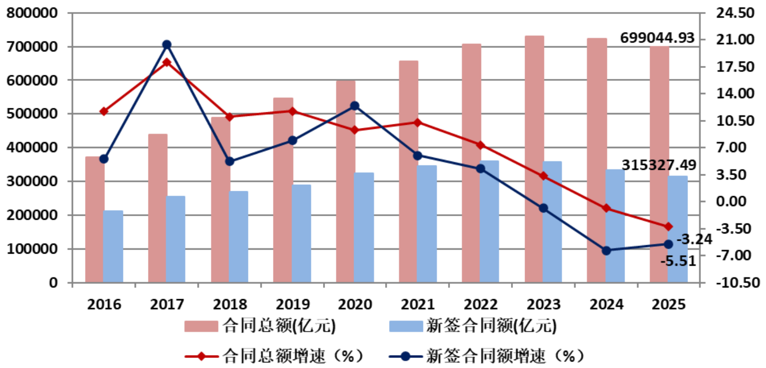
Total Output Value and Growth Rate of China's Construction Decoration Industry, 2016–2025



Data source: CHINA CONSTRUCTION INDUSTRY ASSOCIATION

In 2025, the total value of contracts signed by construction enterprises in Mainland China amounted to RMB 69,904.4 billion, representing a decrease of 3.87% compared with 2024. Of this amount, newly signed contracts for the year reached RMB 31,532.7 billion, a year-on-year decrease of 6.57%.

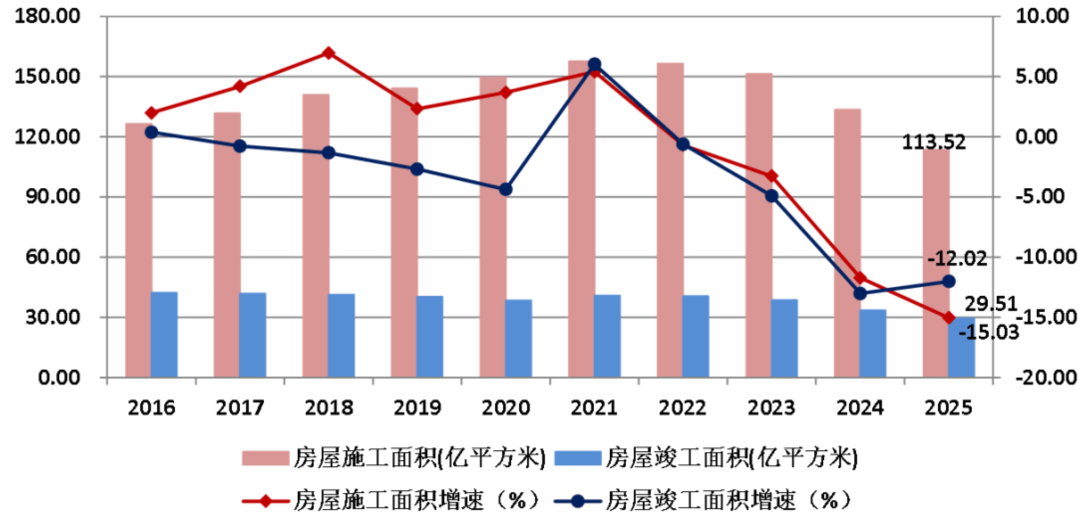
The worth of all the contracts signed by construction companies in China, the worth of newly signed contracts, and the growth rate, between 2016 and 2025



Data source: CHINA CONSTRUCTION INDUSTRY ASSOCIATION

In 2025, the construction area of buildings under construction by construction enterprises in Mainland China reached 11.352 billion square meters, representing a decrease of 17.04% compared with the previous year. The completed building area amounted to 2.951 billion square meters, a year-on-year decrease of 14.14%.

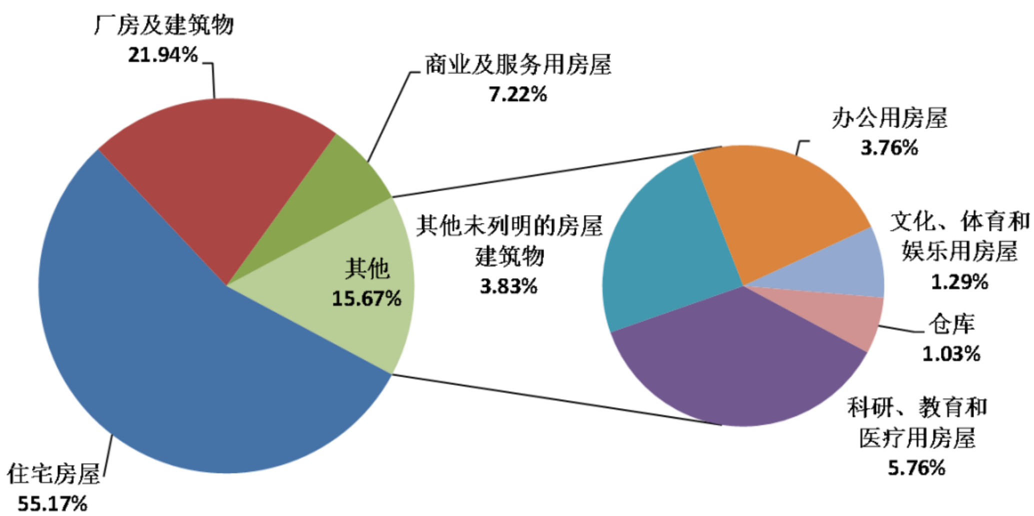
Construction Area, Completed Area, and Growth Rates of Construction Enterprises in China, 2016－2025



Data source: CHINA CONSTRUCTION INDUSTRY ASSOCIATION

From the perspective of the composition of completed building area of construction enterprises in Mainland China, residential buildings accounted for the largest share at 55.17%. Factory buildings and structures accounted for 21.94%. Commercial and service buildings accounted for 7.22%. Scientific research, education, and medical buildings accounted for 5.76%. The remaining categories each accounted for less than 5% of the total completed building area.

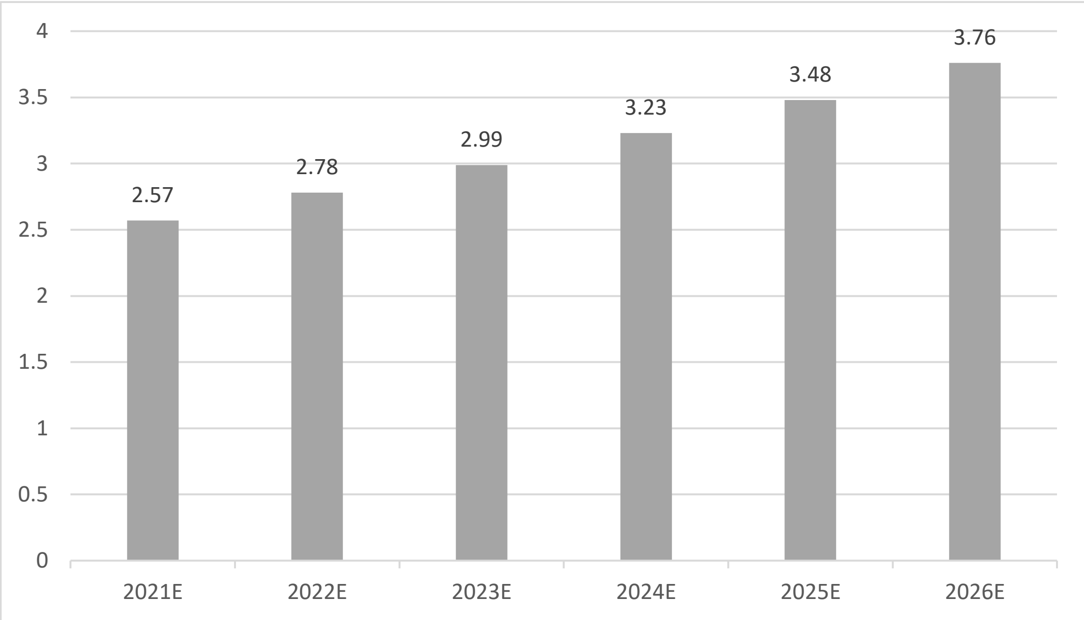
Composition of Completed Building Area of Construction Enterprises in Mainland China in 2025



Data source: CHINA CONSTRUCTION INDUSTRY ASSOCIATION

According to the “2023 China Home Decoration Industry Research Report” released by iResearch, the market size of China’s home decoration industry exceeded RMB 3 trillion for the first time in 2022 and is projected to reach RMB 3,780.2 billion in 2025.The report indicates that, driven by rising demand for improved living quality, continued urbanization, and the release of both stock housing renovation and incremental residential decoration demand, the home decoration industry still maintains long-term growth potential.

Forecast of Output Value of Residential Construction Decoration Industry, 2021–2026 (Unit: RMB trillion)



Data source: Forward Business and Intelligence Co., Ltd.

The current status of prefinished veneered panels, fire-resistant panels, and eco boards in Mainland China is described as follows:

a.Prefinished Veneered Panels

Prefinished veneered panels, referred to as wood veneers in mainland China, also known as decorative single-sided veneer laminated plywood, is a surface material used for interior decoration or furniture manufacturing. It is made by slicing natural wood or engineered wood into thin sheets, which are then adhered to the surface of plywood and pressed under heat. Materials used for wood veneer include stone, ceramic, metal, wood, and more. Common types of wood veneer include natural wood veneer panels and engineered wood veneer panels. The appearance of engineered wood veneer panels differs from natural wood veneer panels in that the former typically have straight grain or regular patterns, while the latter exhibit natural wood grain patterns with greater variation and irregularity. Its characteristics lie in combining the beautiful patterns of wood with the efficient utilization of wood resources, thereby reducing costs.

According to the "2024-2029 China Residential Renovation Industry In-depth Research and Investment Opportunity Analysis Report" by CIConsulting, it is estimated that by 2025, the market size of China's home decoration industry will reach CNY3.78 trillion, with demand for decorative panels used as key materials for walls, floors, and cabinets also growing in tandem. This trend is driven by multiple factors: the ongoing advancement of urbanization is boosting the demand for new residential and commercial space decoration; the acceleration of renovations for a large number of existing homes is injecting new momentum into the midto-high end decoration materials market; at the same time, consumers' increasing emphasis on living quality and personalized design is driving the demand for diversified and high-quality surface materials. Furthermore, the widespread awareness of environmental protection has also made green building materials popular, with demands such as low formaldehyde and low VOC emissions becoming key considerations in material selection. Overall, the decorative panel market is expected to maintain a stable growth trend driven by the dual demands of stock and increment. Therefore, the Company will continue to keep abreast of market trend changes and flexibly adjust product layouts and strategic directions to enhance overall competitiveness and steadily expand market opportunities.

b.Laminates

According to the "Market Size and Investment Outlook Forecast Analysis Report on China's Fire-Resistant Decorative Board Industry 2026" published by Boyan Consulting, authoritative statistics indicate that the market size of China's fire-resistant decorative board industry reached RMB 18.73 billion in 2025 and is expected to steadily expand to RMB 19.95 billion in 2026.Driven by regulatory constraints under the "Code for Fire Protection Design of Buildings" (GB50016, 2023 revised edition), the mandatory application scope of Class A non-combustible and Class B1 flame-retardant materials in key facilities such as hospitals, schools, and rail transit has significantly expanded. This has contributed to an 8.7% year-on-year increase in the completion area of public buildings in 2025.The Company's eco-friendly fire-resistant decorative panels, leveraging their superior fire resistance and lightweight high-strength characteristics, have successfully aligned with the current technological trend of upgrading from traditional calcium silicate-based materials to composite reinforced solutions. In light of China's increasingly stringent regulatory enforcement on fire safety inspections, the Company will continue to leverage its brand advantages to achieve steady growth in market share in high-quality public construction projects.

c.Melamine Faced Board

According to the "In-depth Research Report on the Operation Trends and Investment Planning of China's Eco-Board Industry, 2025–2030," the market size of eco boards in Mainland China has exceeded RMB 200 billion. Among them, the market share of high-end products priced above RMB 300 per sheet increased from 15% in 2023 to 28%, indicating that the market is shifting toward a strong focus on premium quality.The Company's new product, "Starlight Realistic Panels," precisely addresses this demand. In addition to fully complying with China's ENF grade (the highest environmental standard), all substrate materials in the product series meet the F1 environmental standard, effectively addressing consumers' critical concerns regarding indoor health.With its high-quality realistic aesthetics and stringent health and environmental specifications, Starlight Realistic Panels has successfully distinguished itself in the high-end home decoration market. It has effectively elevated market competition from a pure price-and-volume basis to dimensions of technological leadership and brand differentiation, further strengthening the Company's leading position in the decorative panel industry.

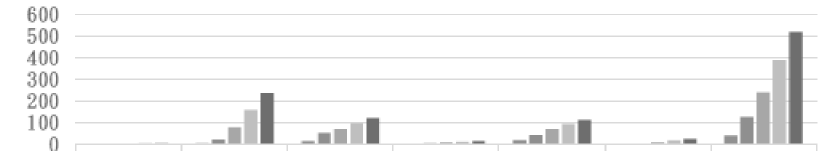
B. Overview of the green building industry

As a company certified by the Forest Stewardship Council (FSC), the Company purchases raw materials (e.g. logs) from FSC-accredited log farms, laying emphasis to the legality and legitimacy of the forest and log supply chain; its procurement and production processes are also certified with ISO 14001, an international environment management certification. Its products also bear the Green Building Materials Mark and are thus of low environmental impact. The Company was the first in the industry to use Grade F1 low-formaldehyde plywood for its full range of wood veneer products in 2014; obtained F☆☆☆☆, a health certification in Japan, in 2015; and awarded the 24th Taiwan Excellence Award in 2016. The Company's corporate image that values the environment and product quality is the niche for product sales.

According to Zion Research's research and analysis of the global green building materials market, the global green building materials market in 2014 was about USD127 billion and the consumption was about 5.5 million tons per year; it is expected that the green building materials market will grow to USD255 billion by 2020. The compound annual growth rate (CAGR) of global green buildings between 2014 and 2020 is about 12.25%. On the other hand, according to the forecast of green building materials market trend published by Mordor Intelligence, the global green building materials market is estimated to exceed USD190 billion in 2021, and the compound annual growth rate between 2022 and 2027 rate is expected to exceed 8.8%.

Wood panels closely correlated with the construction industry are increasingly consumed in the world, notably in the emerging economies, whose consumption data indicates substantial growth in wood panel consumption. Asia tops the increase in wood panel consumption. According to statistics from the Customs Administration, MOF, imports of wood products into Taiwan are usually between NT$30 billion and NT$40 billion. Eco-friendly building materials—particularly wood-based panels—are expected to become a mainstream trend in the future. The Company has obtained various environmental labels and certifications, and demand for its products is expected to grow steadily in line with global market trends year by year.

Global wood panel consumption (in million cubic meters)

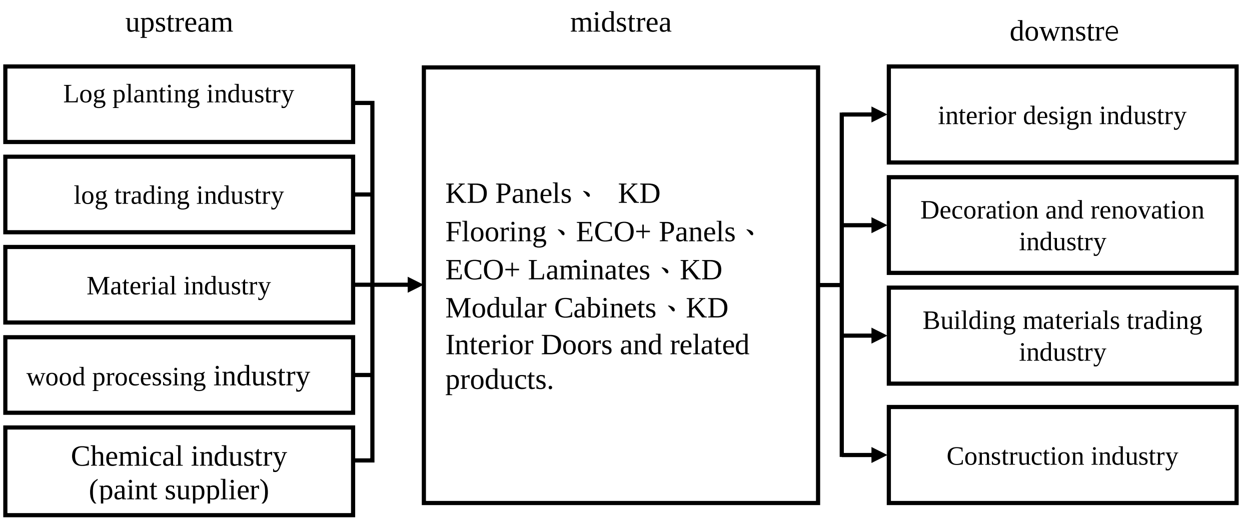


	非洲	亞洲	歐洲	拉丁美洲	北美洲	西亞與中亞	世界
1965	0	4	16	1	20	0	42
1990	1	24	53	4	43	2	128
2005	3	79	70	9	70	9	241
2020	4	161	99	12	96	18	391
2030	5	236	122	15	115	28	521

1965 1990 2005 2020 2030

Data source: Food and Agriculture Organization of the United Nations (FAO)

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



Upstream： Manufactured wood products, whose raw materials mainly come from the log planting and trading industry around the world, the log cutting and paneling industry, the log processing industry engaged in veneering bonding, plywood manufacturers, and paint manufacturers of environmentally friendly UV coatings.

Midstream： Mainly companies engaged in the processing and manufacturing of wood products, such as prefinished veneered panels, KD Flooring, ECO^{+} Panels, ECO^{+} Laminates, KD Modular Cabinet, KD Interior Doors, and other related products. The Company has the competitive advantage of vertical integration in that it is a manufacturer capable of processing logs, e.g., cutting, paneling, veneer bonding, and producing and selling wood products.

Downstream：Restaurants, construction companies, construction contractors, architecture firms, design companies, decoration companies, building materials trading industry (distributors), owners, etc.

3. Development trends of products

(1) Change in decoration process and reduction in work period

Traditionally, spray-painting the woodwork takes place on site. However, paint contains neurotoxic substance like methylbenzene and lead and jeopardizes human health if evaporating. Therefore, the Company's prefinished veneered panels are all spray-painted in specialized factories. This enables customers to verify whether there is uneven color rendering or color variation in advance, avoiding the circumstance in which the difference in the recognition of color on site leads to change of dismantling of completed woodwork, which costs money and working hours. The Company also uses eco-friendly UV curing coatings and change the decoration process. Its stable product quality and prime services are profoundly favored by the decoration market. In Taiwan, the industry even addresses prefinished veneered panels as "KD panels," making KD a pronoun of prefinished veneered panels.

(2) In line with the new thinking of environmental protection, using environmentally friendly PP fabric

As global economic activities continue to expand, the negative impact on the natural environment is becoming more and more serious, and all walks of life are responding to the trend of environmental protection and energy conservation, opening up green business opportunities. Our company purchases raw materials from FSC-certified forests with forest management, emphasizing the legality and legitimacy of the forest and timber supply chain. In addition, wooden building materials produce less heat than other types of building materials, and our procurement and production have passed the ISO 14001 international environmental protection certification, and our products have obtained the green building materials label, which reduces the harm to the environment. In addition, we have also developed a series of environmentally friendly products, including ECO^{+} Panels made of non-toxic food-grade PP raw materials, with ultra-realistic printing technology, healthy and environmentally friendly while retaining the texture and feel of solid wood, PP fabric is not only scratch-resistant and wear-resistant, but also effective in resisting high temperatures and sunshine to prevent deformation, and even if it is burned, it will not emit toxic substances.

(3) Subverting stereotypes and reforming plates for new upgrades

In the past, laminates were generally perceived in the market as difficult to bend, prone to damage, and requiring careful handling during installation. The Company’s ECO+ Laminates have been developed to address and overcome these shortcomings. In addition, the entire product range features a consistent color-through design, creating a seamless, monolithic appearance. The flexible material not only reduces the risk of damage but is also suitable for curved and contoured surface applications. The surface material continues the non-toxic and healthy elements of ECO^{+} Panels and uses food-grade PP raw materials, which brings new high-quality choices to the building materials market and upgrades MEPA boards comprehensively.

(4) Continuous expansion of the green building materials market

With the increasing emphasis on energy conservation, carbon reduction, and ESG sustainability issues globally, green buildings have become an important development trend in the building materials industry. According to market research agencies, the size of the global green building market is projected to grow from USD272.05 billion in 2024 to USD432.79 billion in 2029, with a compound annual growth rate of 9.73%, indicating a continuous rise in demand for eco-friendly building materials. The Company continuously invests in the research and development of eco-friendly materials and processes, and has obtained multiple professional certifications such as the FSC forest certification, ISO 14001 environmental management certification, and the Green Building Material Mark. Its products meet the standards of green buildings for health, environmental protection, and low emissions, providing a competitive advantage in the growing global market.

(5) Fire retardant building materials are an assurance of household safety

Domestic fire safety regulations are increasingly stringent. According to Article 88 of the Building Technical Regulations, building materials used in interior decoration must be fire-retardant materials. The Company's fire-retardant veneered panels are free of the combustible elements contained in traditional spray paint, have a surface that passed CNS 7641 Grade 1 Flammability Test, and can be used together with calcium silicate as fire-retardant substrates, capable of containing fire and allowing more evacuation time.

(6) The demand for diverse styles and modular applications has increased.

As residential space design becomes increasingly personalized, the market's demand for flexibility in building material styles and sizes has significantly increased. The Company, responding to design trends, has expanded product color options and launched various different material textures and customizable large-size panels to meet the demand for customization and system modular applications, enhancing spatial integration and construction efficiency.

4. Competition

A. Domestic competition

The Company only have a few competitors in the wood flooring manufacturing industry in Taiwan. They are mostly small and do not integrate the production process well, so they are not able to reach the economies of scale. In addition, they also have limited access to global forest information and resources. In contrast, the Company dispatches its professional, excellent purchasing team to places around the world to make purchases, and always pays attention to the development of the global forest industry in order to grasp information in a timely manner and cope with the various changes. In addition, the Company also maintains a good relationship with suppliers and thus have a readily available access to quality raw materials. The Company has also actively automated the production process and launched the one-stop production integration project, and therefore possesses the economies of scale and mass production capacity that competitors are not able to achieve. In addition, the Company also focuses on branding. It has obtained certain degree of brand awareness, a good manufacturing and distribution system, and management experience, and actively set up distribution channels around the world in the hope to put its products on the global distribution network. Furthermore, the Company has also established logistics centers to swiftly provide customers with the products they need and satisfy their need for timely delivery. Therefore, quality products, extensive distribution channels and bases, customer-oriented service quality, and rapid delivery speed have earned the Company great reputation, thus a shining brand image in the industry.

According to the data in March 2024 published by National Union of Timber Trade Association of R.O.C., there were 128 wood product manufacturers (excluding the Company). In addition, according to the statistics published by the Taipei Association of Interior Designers, among its members were 10 veneer manufacturers and 13 wood flooring manufacturers (excluding the Company). Among the members of The Taichung Association of Interior Design & Decoration, there were 41 companies (including the Company) under the Comprehensive Building Materials category.

B. Competition in China

According to a report published by SFUN of China in 2017, China's economic development model, being it the fulfillment of the spirit of the 19th National Congress or the implementation of the ideals of "Made-in-China 2025," was shifting from GDP-orientation to environment-orientation. As China's environmental protection work progresses, the building materials industry and home decoration industry are also revolutionized. Both closing polluting enterprises and eliminating enterprises with small production capacity aim principally to improve product quality, environmental protection index, and thus the environment quality and people's living quality. Meanwhile, the living environment at home, as a result of the upgrade of consumption, is also rapidly changing. The housing environment people pursue will shift from one that satisfies basic living requirements to a housing environment of higher quality. This is something happed as the economy develops.

The production of wood veneer, a type of decoration materials, will inevitably contain a certain amount of formaldehyde, which is classified as Group 1 carcinogen for humans by the World Health Organization. Moreover, traditional paint on wood veneer contains neurotoxic components such as methylbenzene, xylene, titanium dioxide, and lead, which will be inhaled by painters, carpenters, and work supervisors during decoration. Moreover, after homeowners move in, the toxic residues will also jeopardize the health of homeowner for a long time. Potential health hazards include clinical symptoms like lead poisoning, immune system disorders, and carcinogenesis.

The Company has long been committed to reducing formaldehyde emissions and has independently developed polymer structural technology. All plywood used across its product portfolio complies with the CNS 8058 national standard. In addition, all products have obtained the F1 national certification (a standard superior to the EU E1 grade). The Company’s Prefinished Veneered Panels utilize specially formulated coatings and have further obtained Green Building Material certification.Accordingly, in light of the increasingly stringent environmental regulations in Mainland China and the rising consumer demand for higher-quality residential environments, the Company’s Prefinished Veneered Panels are expected to have significant future growth potential.

In today’s market, increasing emphasis is being placed on the environmental performance and diversified selection of building materials. According to the "Segmented Market Analysis and Investment Outlook Report on the Decorative Panel Industry, 2022–2028," it is noted that, in Mainland China, panel products with specialized functions are expected to become a new source of profit growth for engineered wood enterprises.Engineered wood manufacturers may develop products with properties such as water resistance, stain resistance, and fire resistance for specific renovation applications, including kitchens, toilets, and bathrooms. In addition, companies should closely monitor consumer needs and develop corresponding products addressing requirements such as insect resistance and skin-friendly tactile properties.

The Company's ECO+ Laminates and Starlight Realistic Panels not only feature industry-leading ultra-realistic wood grain technology, but also incorporate the development of over one hundred patterns, including solid colors (with a variety of refined textures such as matte and skin-feel finishes) and a wide range of material-inspired designs. This provides a high degree of flexibility and diversified options for interior design applications.In addition to accurately replicating the natural aesthetics in visual appearance, the products also deliver excellent functional performance, including water resistance, stain resistance, and weather resistance. Furthermore, all substrate materials across the product range strictly comply with F1-level environmental standards, precisely aligning with the dual stringent requirements of the high-end market in 2026 for both "aesthetic functionality" and "ultimate health and environmental safety."

(III) Overview of Technology and Research and Development

Although the Company does not engage in foundational independent technology research and development, it continuously incorporates advanced technologies with market maturity in the field of KD Panels manufacturing. These technologies are widely applied to automated processes, quality control, and the use of eco-friendly materials, comprehensively enhancing production efficiency and product competitiveness.

In terms of health and eco-friendly building materials, KD Enterprise upholds its commitment to user safety and environmental sustainability by actively selecting low-formaldehyde, low-VOC (volatile organic compounds) substrates and eco-friendly bonding technologies. The company has fully implemented and obtained the Japanese F★★★★ certification, which represents the lowest formaldehyde emission level in Japan's building standard regulations, ensuring that the products comply with the highest safety standards for indoor air quality. In addition, the Company's products have also obtained the Singapore Green Label certification, highlighting international recognition for its environmental friendliness, energy conservation, carbon reduction, and sustainability, further expanding trust and sales advantages in the overseas market.

KD Enterprise also maintains close cooperation with industry chain partners and academic and research institutions, actively participating in government-promoted green manufacturing and industrial upgrading projects. Through data integration and process optimization, the company enhances production efficiency, stabilizes quality, and reduces energy consumption, laying a solid foundation for achieving sustainable development goals

(IV) Long- and short-term development plan

1. Short-term development plan

A. Upgrade of hardware and software equipment

KD is the only enterprise in the industry that owns log procurement to self-built marketing, vertical integration and one-stop production and marketing. Since the opening of the Chiayi production headquarters, KD has actively introduced automation management to streamline labor, manpower, and transportation costs, and automated intelligent production through big data analysis to achieve stable quality and rapid development capabilities. KD will continue to upgrade software and hardware equipment to maximize production capacity and quality.

B. Continue to Develop New Products

Keding Enterprises continues to deepen its presence in blue ocean markets, focusing on the research and development of healthy building materials and is committed to providing customers with a “one-stop integrated solution for interior building materials.”In 2025, the Company launched Starlight Realistic Panels and KD SPC Flooring. Through the complementary integration of diverse materials, it has completed a comprehensive product matrix spanning from wall systems to flooring, meeting the multi-dimensional requirements of various renovation markets in terms of application scenarios, durability, and design consistency.Looking ahead to 2026, Keding will implement a more large-scale horizontal diversification strategy. To further expand its market footprint and enhance construction integration efficiency, the Company plans to develop new melamine panels and carpet product lines. Through this horizontal expansion of product dimensions, the Company aims to continuously build a more resilient healthy building materials ecosystem and fully meet the needs of both residential and commercial space markets.

C. Content Marketing and Promotion

Continuously promoting content marketing strategies by producing practical and valuable content, deepening customers' understanding and positive perception of the brand and products. The content format includes blog articles, social media posts, and multimedia materials, leveraging platforms such as Facebook, YouTube, Instagram, TikTok, and Xiaohongshu for diverse promotions, aligning closely with the usage habits of the target audience. In recent years, we have also invited celebrities and influencers to share their testimonials and collaborate in live shoots, expanding the brand's influence and product reach. In response to changes in digital usage behavior, KD further optimizes digital service processes by offering online appointment booking, quick ordering, and one-to-one personalized introductions. Through tools like LINE and SMS, KD proactively interacts with customers, guiding them to the official website or service forms. This enhances the customer experience and establishes real-time, two-way digital communication channels.

D. Global Expansion Strategy

Focusing on expanding into overseas markets, we aim to establish a global supply chain through international diversification, technological innovation, and environmental awareness, and strengthen relationships with local partners to steadily promote brand internationalization. We strengthen partnerships and simultaneously emphasize brand building and market promotion to enhance our brand recognition and market share in major global markets. This approach is designed to achieve long-term growth and value creation. In 2025, the Company established a wholly owned direct-sales subsidiary in Japan, integrating local operations with brand services to build a global market presence that is both flexible and in-depth.Leveraging its core strengths of short lead time, high quality, and health-oriented non-toxic materials, Keding Enterprises continues to expand its international customer base and moves steadily toward becoming a leading global brand in healthy building materials.

E. Precision Marketing through Big Data Applications

With technological advancements, brands can collect data from more channels on key target groups and design companies. Utilizing big data to gather and analyze customer information, along with AI technology to efficiently collect even more customer insights, allows us to provide tailored resources and services for different types of customers. By strategically planning and executing customer relationship management, we elevate our engagement to the level of "serving" customers, thereby increasing customer retention and loyalty.

2. Long-term development plan

In the face of continued shifts in industry structure and intensifying international market competition, KD still adheres to the management principles of "utilizing technology, continuous innovation, deep rootedness, and stable growth," continuously optimizing operational performance and R&D capabilities, expanding market territory, and deepening brand value. In recent years, we have actively promoted product diversification, digital transformation, and international deployment, creating a flexible and resilient operational system. In the future, we will continue to focus on health, environmental protection, and high quality as our core values, precisely responding to market demands and steadily moving towards becoming a leading global brand in healthy building materials.

II. Market and production and sale status

(I) Market analysis

1. Geographic areas where main products are sold

Unit: NT$1,000

Area \ Year		2024		2025	
		Amount	Percentage (%)	Amount	Percentage (%)
Domestic sales		1,925,344	76.91	2,057,783	79.15
Exports	Mainland China	296,906	11.86	185,370	7.13
	Other areas (note)	281,080	11.23	356,738	13.72
	Sub-total	577,986	23.09	542,108	20.85
Total		2,503,330	100.00	2,599,891	100.00

Note: Other areas include other Asian countries, the Americas, Oceania, etc.

2. Market share

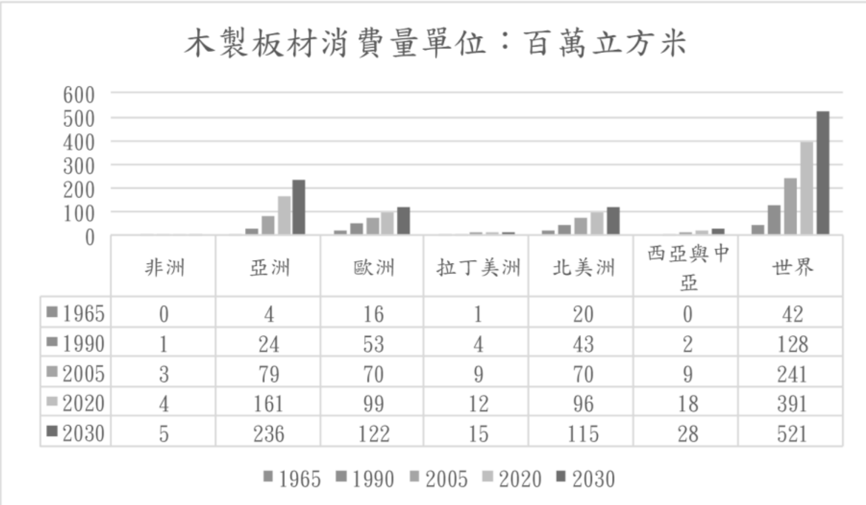
There are no listed companies which simultaneously engage in the production and sale of prefinished veneered panels, wood flooring, ECO+ Panels, ECO+ Laminates, system cabinets, wood products, and other interior space and soft finishing products. In addition, peers in the industry are not a public company, so the data on them is hard to obtain. Moreover, there is no research institution which publishes a sales statistics report of this industry. Therefore, the Company is unable to make any consumption-based calculation of its market share.

Veneered panels, known as wood veneer or decorative single-panel plywood in China, are made from materials like stone, ceramics panel, metal, and wood. Since the Company's main products are wood-based and the data on the market share of wood veneer in China covers stones, ceramics panel, metal, and wood, the data is not comparable. Therefore, the Company is unable to make and consumption-based calculation of its market share in China.

3. State of supply and demand in the market in the future and the growth potential

A. Global demand for wood panels

Wood panels are increasingly consumed in the world, notably in the emerging economies, whose consumption data indicates substantial growth in wood panel consumption. Asia tops the increase in wood panel consumption.



	非洲	亞洲	歐洲	拉丁美洲	北美洲	西亞與中亞	世界
1965	0	4	16	1	20	0	42
1990	1	24	53	4	43	2	128
2005	3	79	70	9	70	9	241
2020	4	161	99	12	96	18	391
2030	5	236	122	15	115	28	521

Data source: Food and Agriculture Organization of the United Nations (FAO)

B. Consumption market in China

According to the "2024–2029 Home Building Materials Industry Market In-depth Analysis Report" published by CIConsulting, the market size of China's home building materials industry has grown from CNY1.51 trillion in 2011 to CNY3.9 trillion in 2021, with an average annual compound growth rate of 9.7%. The retail chain market size also increased from CNY565 billion in 2015 to CNY1.3239 trillion in 2023. It is estimated that by 2025, the total retail sales will reach CNY5.2 trillion, with a compound annual growth rate of approximately 3% between 2021 and 2025.

In the first half of 2024, as fixed asset investment and manufacturing capital expenditure gradually recover, investment and consumer demand in building materials also rebound simultaneously. The renovation peak season, "Golden September and Silver October," is expected to drive an increase in the demand for the renovation of existing homes and construction decoration materials. The production and sales performance of products such as ceramic tiles, stone, and waterproof materials are gradually rebounding, and prices are also stabilizing.

Overall, the market supply and demand structure is gradually balancing, and consumers' demand for high-quality, eco-friendly, and smart building material products is steadily increasing. The industry is moving towards added value and research and development orientation, providing The Company with favorable opportunities to deepen its layout and launch high-value products.

Regarding veneer panels, according to the "2023-2028 China Wood Veneer Panel Industry Market In-depth Research and Development Prospect Forecast Report" released by Xinsijie Industrial Research Center, wood veneer panels are primarily used in the home decoration field. In recent years, with the improvement in the standard of living in Mainland China, the demand for home decoration has been continuously growing. Currently, the wood veneer panel industry in Mainland China is still in its early stages, with a market penetration rate of less than 10%, indicating enormous development potential.

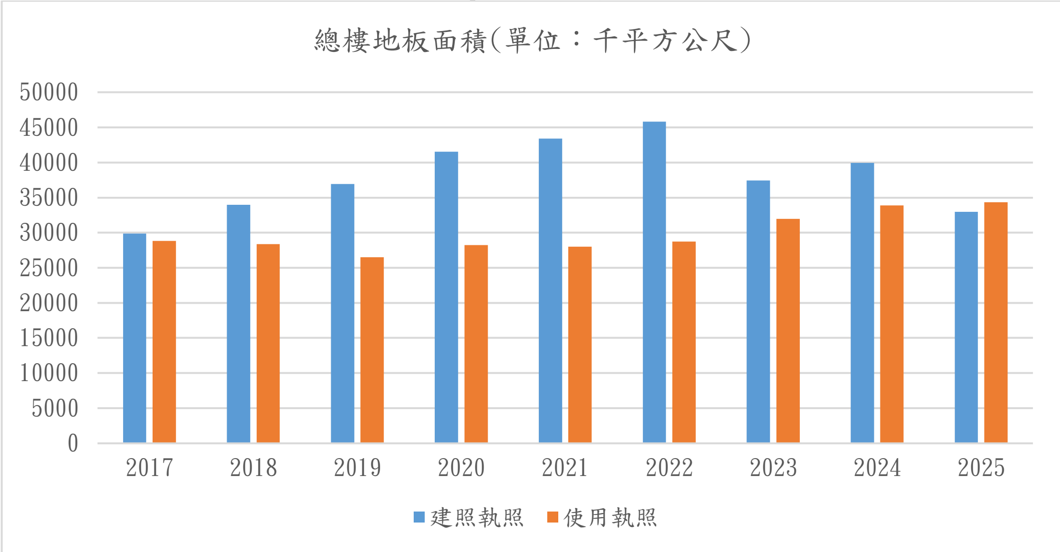
KD products, with quality superior to market offerings, better meet market demand. Full renovation of residences is an inevitable trend in the future development of the real estate industry. On May 4, 2017, the Ministry of Housing and Urban-Rural Development of China issued the "13th Five-Year Plan for the Development of the Construction Industry," which clearly states that by 2030, green buildings in urban areas should account for 50% of new constructions, the area of newly started fully renovated finished residential buildings should reach 30%, the application proportion of green building materials should reach 40%, and prefabricated buildings should account for 15% of new construction area. According to statistics from the China Building Decoration Association, the average proportion of fully renovated residences in Mainland China is around 10%, with 50% in first-tier cities. However, this is still significantly lower than the 80% full renovation rate in developed countries such as Europe, the United States, and Japan, indicating substantial growth potential in the full renovation market in Mainland China. In the future, the full renovation business will gradually expand from first-tier cities to second- and third-tier cities.

C. Consumption market in Taiwan

The main growth momentum of the domestic market is the number of new housing proposals. The issuance and use of construction permits issued by the Construction and Construction Administration are important indicators for observing the housing market. The number of construction permits issued by the Construction and Construction Administration represents the confidence of construction companies in recommending projects; The use license is the completion progress of the construction period, and the data can be cross-referenced to observe the supply situation of the housing market.

According to statistics released by the Ministry of the Interior, Taiwan, the total floor area of building construction permits issued from 2017 to 2022 showed a steady upward trend. Although it slightly declined in 2023, it rebounded in 2024 to approximately 40,000 thousand square meters, reflecting strong developer confidence.In 2025, however, the total floor area of construction permits issued declined significantly to approximately 33,000 thousand square meters, indicating a more cautious momentum in new residential project launches amid macroeconomic adjustments. In contrast, the floor area of usage permits issued in the same year rose against the trend to approximately 34,500 thousand square meters, reaching a recent peak.These cross-trend indicators suggest that the market is currently entering a large-scale “handover wave.” The increase in completed and delivered projects will directly release substantial demand for interior renovation. During this consolidation period of slowing new development activity, the large volume of completed projects entering the renovation stage is expected to provide stable support for the interior building materials market, which is favorable for the Company’s continued focus on high-end renovation and premium building materials businesses.

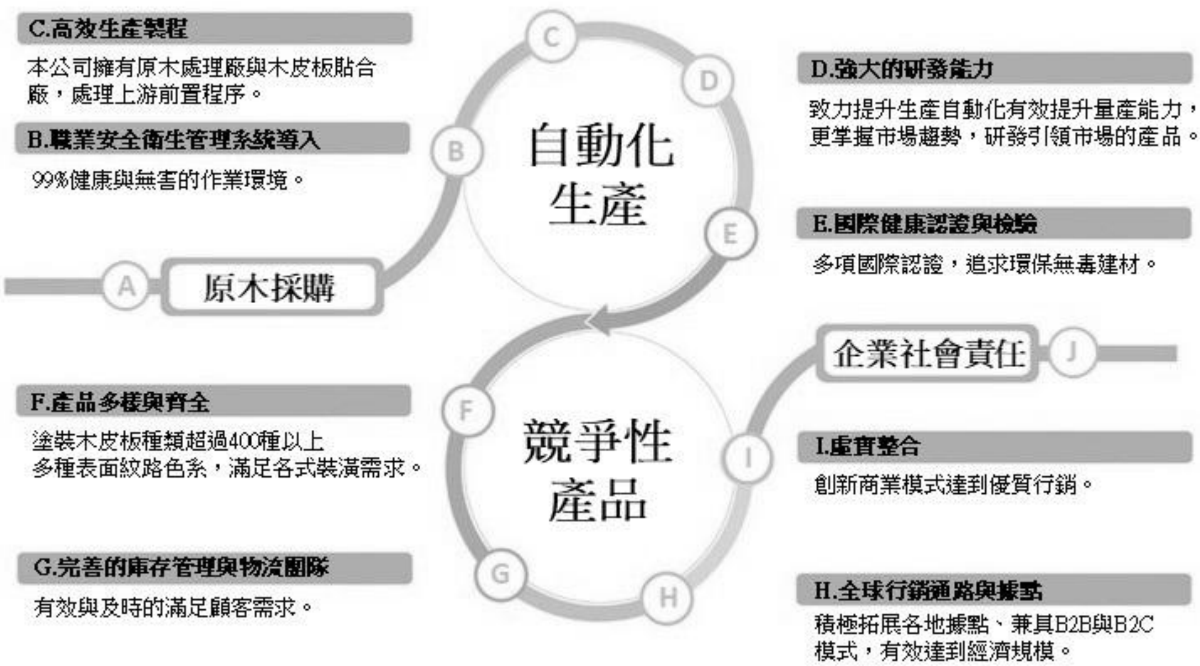
Total Floor Area of Building Construction Permits and Occupancy Permits, 2017–2025 (Unit: thousand square meters)



Data source: Construction and Planning Agency, Ministry of the Interior

4. Competitive niche

Vertical integration of the production and sale processes to provide one-stop service：



A. Purchase of logs:

KD arrives at log farms earlier than other competitors to pick the most premium logs. Through repetitive inspection, KD picks the best logs, insisting on safeguarding the quality of purchased logs at the source.

B. Introduction of the occupational safety and health management system:

Such clear standards and framework substantially reduce hazards, creating a working environment that is 99% healthy and hazard-free so that employees can fully engage themselves in work and give full play to their occupational capability, thereby increasing the Company's competitiveness.

C. Highly efficient production process

The Chiayi Production Headquarters possess the capability to process logs and bind veneer; by incorporating corporate management philosophy into the production process, continuously developing process technologies, and effectively improving the performance of production lines, it improves the production efficiency and product quality.

D. Strong R&D capability:

a. Aside from vertically integrating the production and sale processes to offer one-stop service, the Company also strives to increase the automation of production, enhance the development of each automated process, and purchase quality planers, automatic laminating and pressing equipment, and coating robotic arms, etc., thereby reducing labor costs and raw materials costs, optimizing product feel and stability, and thus increasing the mass production capability.

b. KD can directly contact and communicate with consumers and then reflect their needs in a timely manner in production improvement or product R&D, thereby enabling the Company to grasp new trends in the market in a timely manner.

c. KD grasps the trend of development of emerging materials, works with global top-notch enterprises, and leverages the resource of each other to jointly develop KD's exclusive products, thereby satisfying the market demand.

E. International health certification and testing:

The Company works hard to pursue eco-friendly and non-toxic building materials; its products are also recognized with multiple certificates:

a. The prefinished veneered panels passed multiple tests, e.g. methylbenzene and ethylbenzene content, formaldehyde emissions, bacterial resistance, stain resistance, acid and alkali resistance, and fire retardant test, and were recognized as fire-proofing and fire-retardant Grade 1.

b. KD Flooring has passed many tests such as thickness expansion rate of water absorbing, pollution resistance, fire retardant property, acid and alkali resistance, heavy metal detection, water immersion test, flexibility, bending-reverse warping and twisting.

c. The ECO+ Panels have passed multiple tests, e.g. flame retardant test, Grade 1 flammability test, plasticizer, formaldehyde emissions, pollution resistance, acid and alkali resistance, abrasion resistance, heat and humidity resistance, water immersion, moisture content, glue shear strength, and alternation of heat and coldness.

d. The ECO^{+} Laminates have passed various tests, such as Grade 1 flammability, abrasion resistance, pollution resistance, water resistance, surface abrasion resistance, alternation of heat and coldness, formaldehyde emissions, and antibacterial tests.

Certification and marks				
A	B	C	D	E
Taiwan Excellence Award mark	MIT Smile Products Mark	MIT Smile Products of 2019 - Taiwan Golden Selection.	FSC™ COC (Chain of Custody)	Green Building Material Mark
F	G	H	I	J
Singapore Green Mark Certification Certification	Japanese F☆☆☆☆ Environmental and Healthy Certification	ISO 9001 International quality management certification	ISO 14001 International environment management certification	Healthy Workplace Certification

F. Diverse and complete range of products:

The Company does branding at home and abroad using kd. It has eco-friendly green building materials and good product quality and brand image. The types of prefinished veneered panels it sells exceed 500. The range of products is complete; multiple surface grain and color series can satisfy the various decoration needs.

G. A sound inventory management and logistics team

Through a sound inventory management operating system, KD precisely grasps product inventory and sets up logistics centers and its own logistics vehicle fleet at key locations. The overall logistics service outperforms competitors, capable of quickly delivering quality products to customers and responding to market demands in a timely manner.

H. Global Marketing Channels and Locations:

In response to the trend of digital transformation, Keding Enterprises continues to enhance its digital marketing framework and the application of digital communication tools. Through its professional customer service team at headquarters and an online appointment and ordering platform, the Company provides efficient remote sales and technical support services.In 2025, the Company officially established a wholly owned direct-sales subsidiary in Japan, marking an important milestone in its expansion into the Northeast Asian market. Looking ahead to 2026, Keding will pursue a global strategy centered on stable operations and localized market development. Its overseas expansion will focus on existing self-operated locations and franchise systems, with an emphasis on strengthening brand recognition and market penetration.During the year, the Company will further optimize the efficiency of its digital service platform by integrating its core competitive advantages, including short lead times, high product quality, and health-oriented non-toxic materials, in order to strengthen strategic cooperation with local partners. Through a flexible and localized global presence, Keding Enterprises aims to further reinforce its position in the global healthy building materials market.

I. Corporate social responsibility:

The Company also actively engages in charitable events, e.g. construction of a library for a remote elementary school; donations to victims of earthquake and typhoons; donations to charitable groups; and support for vegetable farmers. In doing so, the Company gives what it took from society back to society and fulfills the commitment of "Share Company Profits with Employees and Society," thereby fulfilling its corporate social responsibility. It also encourages employees to participate in environmental actions such as beach cleanups and tree planting, combining corporate sustainability concepts with local action to deepen the value of social engagement. Upholding the original intention of "Share Company Profits with Employees and Society," Keding continues to fulfill its corporate social responsibility, thereby shaping a good corporate image and injecting a positive influence into the industry.

5. Positive and negative factors for future development, and the company's response to such factors

A. Positive factors

a. Globally concerned environmental issues

In response to the trends of net-zero carbon emissions and green buildings, according to Article 321 of Taiwan's Building Technical Regulations, the use of green building materials in public building interior decoration, floor, and windows must be 45% or more of total area. Among the green building materials applied, paints account for 32% and panels for 40%, representing the largest proportions (Source: Industrial Economics and Knowledge Center [IEK]), indicating the high market demand for eco-friendly coating and panel products.

The Company holds multiple professional eco-friendly certifications, including the Green Building Material Mark and certification by the Forest Stewardship Council (FSC). The prefinished veneered panels under the brand are treated using special technology, which can significantly reduce the formaldehyde content generated during the laminating process. Spray-painting is completed before leaving the factory, eliminating the need for on-site sanding, reducing construction pollution and occupational hazards for decoration workers, and simultaneously lowering the health risks caused by toluene residue after moving in. The eco-friendly manufacturing process not only reflects the importance placed on the environment and living quality but also aligns with market policy directions, helping to enhance product competitiveness and business growth.

b. Being larger in the industry

Most companies in the wood manufacturing industry in Taiwan are SMEs. Having integrated the processing and manufacturing process in the upstream, the Company has established a one-stop production model, possessing the advantages of economies of scale and systematic operations. With the continuous expansion of sales regions, in addition to being able to strictly control product quality and lead time, high-level services can also be steadily provided. This gives the company a comprehensive competitiveness that other SMEs in the industry find difficult to match, making it highly favored in the market.

At the same time, The Company is actively promoting product line diversification by launching new series such as super wear-resistant wooden flooring and KD Interior Doors, further expanding application fields and broadening market coverage. Diversified operations help to disperse risks, stabilize operational momentum, and strengthen the brand's capability in providing comprehensive solutions in the building materials field.

B. Negative factors

a. Shortage of mid-level and top management

As the corporate territory continues to expand, including rapid overseas market expansion and franchise system growth, the demand for talent in organizational management, operational coordination, and brand maintenance is increasingly rising. In the current market, mid-to-high level talents with industry experience and international vision are relatively scarce and difficult to quickly recruit in large numbers, posing challenges to the globalization and stable growth of enterprises. At the same time, in response to the needs for digital transformation and product innovation, there is an urgent demand for outstanding talents with cross-disciplinary integration, data application, and marketing activation abilities. It is necessary to continuously strengthen recruitment, training, and retention strategies to support enterprise transformation and sustainable growth.

<u>Response measures:</u>

To address the challenge of a shortage of mid-level and senior talents, the Company continues to implement a dual strategy of retention and cultivation of talents. Apart from providing comprehensive welfare and smooth promotion systems, the Company also plans job rotations, project assignments, and overseas postings to encourage employees to develop multi-functional capabilities. Through internal training and external manager courses, we cultivate potential talents for promotion to management positions, gradually strengthening the succession pipeline for mid-level and top management. And continue to recruit professional talents with industry experience and international vision to enrich the management team, supporting the development needs of the company's local rooting and overseas expansion.

b. Numerous competitors and fierce market competition

Domestic manufacturers of prefinished veneered panels and KD Flooring are mostly SMEs, their size varies. Some manufacturers exchange product quality for cost reduction, and even wage a price war to gain market share, leading to fierce competition in the market.

<u>Response measures:</u>

The Company is the first company in Taiwan to produce prefinished veneered panels, KD Flooring, ECO+ Panels, and interior space soft finishing products in a manner reaching the economies of scale and integration of the upstream, midstream, and downstream of the supply chain, advantages incomparable among industry peers. The Company's products are mid- to high-end products that emphasize four aspects, namely, safety, function, craftmanship, and anesthetics. High product quality, which distinguishes the Company from competitors, also makes the Company a leader in the industry in Taiwan.

c. Rising raw materials costs

Affected by the global tightening of wood supply, increasing demand for certain tree species, and adjustments in some international import and export policies, prices of raw materials such as logs have fluctuated. Coupled with rising transportation fees and labor costs in recent years, the overall procurement cost continues to rise. Under the interaction of the above factors, the overall price of raw materials shows an upward trend.

Response measures:

In order to stabilize the supply of raw materials and respond to price fluctuations, the Company not only continues to expand the development and cooperation scope of its suppliers but also enhances the flexibility of its procurement strategy by adopting multiple sources to diversify risk. Conduct regular comprehensive assessments of price and quality for key materials such as logs, and build bargaining advantages on the basis of long-term stable orders. At the same time, prepare materials in advance according to market changes and manage the procurement pace to reduce the impact of sudden price increases on cost control.

d. Market Stereotypes about Laminates Panels

In the past, the market has had some stereotypes about Laminates panels, including: the finished product having unsightly black edges or lines; being easily damaged, requiring careful handling during installation; and the tendency for rough edges to form during finishing.

Response measures:

ECO+ Laminates has transformed the shortcomings of Laminates that were criticized in the past, continued the non-toxic and healthy elements of ECO+ Panels, and created innovative products with great market competitiveness; environmentally friendly wooden floors combined with non-toxic PP surface materials and island composite structures have effectively expanded the existing market , and reach more consumer groups.

e. Price competition pressure on products such as ultra-durable KD Flooring

In recent years, products with price advantages, such as ultra-durable KD Flooring and SPC flooring, have rapidly penetrated the market, becoming the main options for price-oriented customers like the construction industry and developers. This has led to challenges in maintaining the competitiveness of The Company's high-end KD Flooring products in certain markets.

Response measures:

In response to price competition, the Company has actively optimized its product portfolio. Following the launch of Laminate Flooring compliant with the European AC4 rating, the Company further developed SPC flooring featuring AI-based realistic printing technology, 5-foot plank specifications, and full waterproof performance.In addition, by incorporating an integrated IXPE underlay for sound insulation and adhering to F1-grade non-toxic standards, the Company has successfully leveraged its diversified material advantages to cover different price segments. By extending its product line to serve various budget levels, the Company has expanded its target customer base and enhanced overall brand penetration, thereby meeting increasingly diverse consumer demands and strengthening its market competitiveness.

(II) Important uses of main products and production process

1. Important uses of main products:

A. KD Panels

Prefinished veneered panels are a thin slice of wood peeled off from a log and laminated with a sheet of plywood, and have extensive uses in interior space; they are like finishing materials, and may be used to cover furniture, cabinets, ceilings, and doors. The Company pioneered the painting technique. Spray-painting takes place in factory, making the veneered panels flame-retardant, acid or alkali resistant, and scratch resistant. This saves the inconvenience of having to spay-paint the woodwork on site, avoiding formaldehyde pollution and substantially shortening the work period. Therefore, veneered panels so produced are deeply favored by designers.

B. KD Flooring

KD Flooring encompasses a wide range of flooring products. Its most iconic Hand-scraped Wood Flooring combines a solid wood veneer surface with a moisture-resistant plywood core, delivering excellent moisture resistance and structural stability. Through artisanal hand-scraping, wire-brushing, and ergonomically designed 3D craftsmanship, the product precisely replicates the refined texture of natural wood while enhancing walking comfort and slip resistance.To further strengthen its diversified application across different spaces, the Company has continued to refine its product portfolio. Following the launch of Super Laminate Flooring, the Company further developed SPC Flooring featuring AI-driven realistic printing technology and 5-foot plank specifications. The former utilizes an HDF high-density moisture-resistant substrate combined with a European AC4-rated wear layer, achieving efficient installation through a glue-free click-lock system while maintaining exceptional scratch resistance. The latter is manufactured through high-temperature compression of stone powder and PVC, delivering full waterproofing, moisture resistance, and a highly stable structure, while also complying with toy-grade safety standards. It is further equipped with an integrated IXPE underlay to provide superior sound insulation performance.The full product range integrates safety, health, and functional complementarity, comprehensively addressing diverse spatial requirements for aesthetic quality and maintenance efficiency.

C. ECO^{+} Panels

ECO+ Panels, which feature KD's exclusive solid wood grain and pairing-material products, were co-developed with Dai Nippon Printing Co., Ltd., the world's largest PP quasi-real veneer manufacturer. The PP panels are made from non-toxic, edible raw PP materials, and coated using the EB coating technology, which offers strong protection. Such panels can be easily maintained at any time. KD will continue to provide quality panels that are healthy and safe for you to have a healthy, toxic-free living quality.

D. KD Modular Cabinets

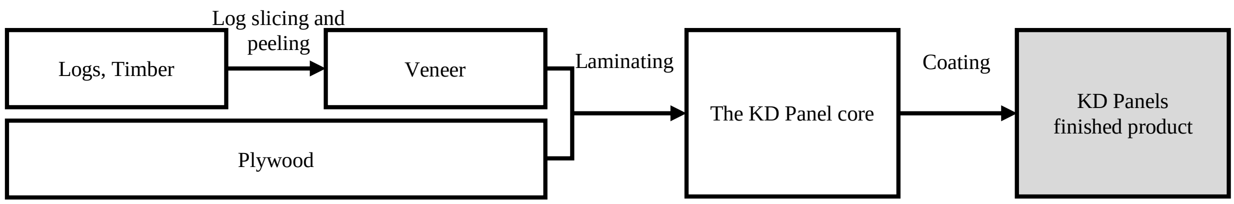
KD Modular Cabinets provide a fully customized, whole-house solution. Through standardized operational processes, the product significantly shortens construction lead time while maximizing space utilization efficiency.The product offers a high degree of design flexibility, featuring customized combinations of over one hundred panel options. It is recommended to use eco-friendly particle board as the exterior cabinet surface material, while KD Chipboard or Starlight Realistic Panels can be applied to interior cabinet surfaces based on project requirements. This ensures a high level of color consistency between interior and exterior finishes, effectively resolving design integration challenges while maintaining durability.KD modular cabinet systems combine aesthetics, efficiency, and health safety, making them an optimal integrated solution for high-quality interior decoration projects.

E. ECO+ Laminates

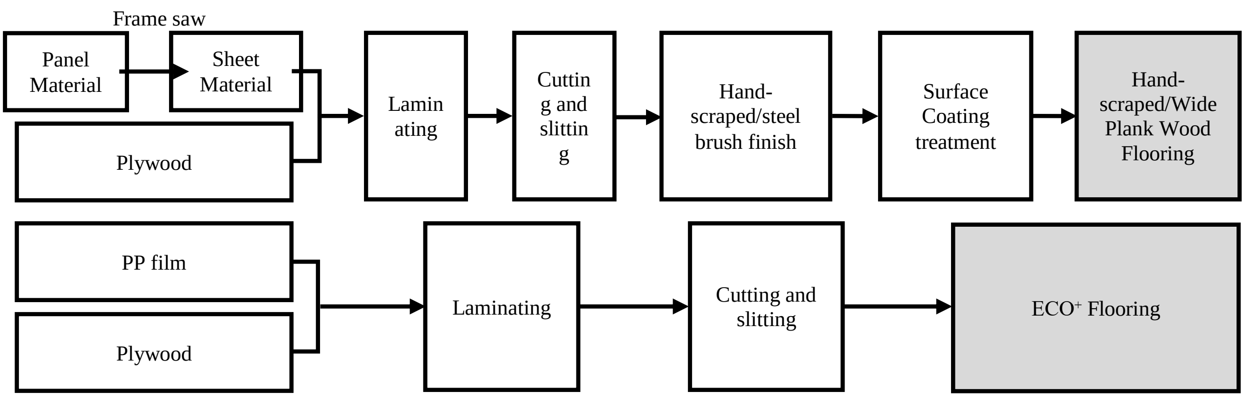
ECO+ Laminates build upon the core strengths of ECO+ Panels, delivering a new surface material experience. The product utilizes non-toxic, food-grade polypropylene (PP) raw materials, retaining excellent properties such as scratch resistance, wear resistance, flexibility, and resistance to cracking. These characteristics facilitate easier fabrication and cutting, enabling a smoother and more efficient installation process.The eco-friendly laminate adopts ultra-realistic printing technology, offering a wide range of finishes, including ultra-realistic wood grain, specialty material textures, and classic solid colors. Its color-through structure further delivers a seamless, monolithic visual effect, fully meeting diverse design requirements.In terms of customization, the product can be produced in lengths of up to 36 feet, enabling optimal application in various project types, including large-scale commercial spaces with high ceilings.

2. Production process: Below is a summary of the production process by type of products:

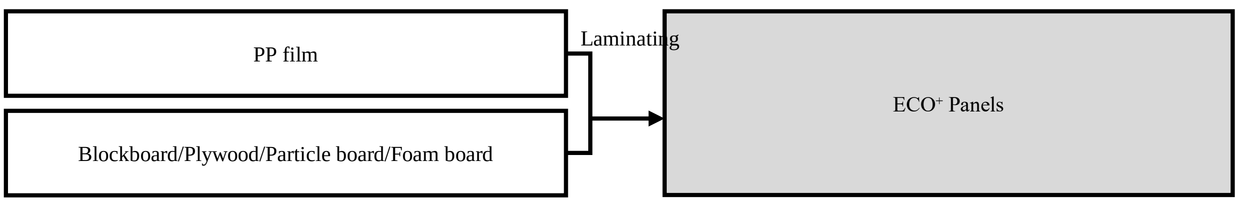
A. KD Panels



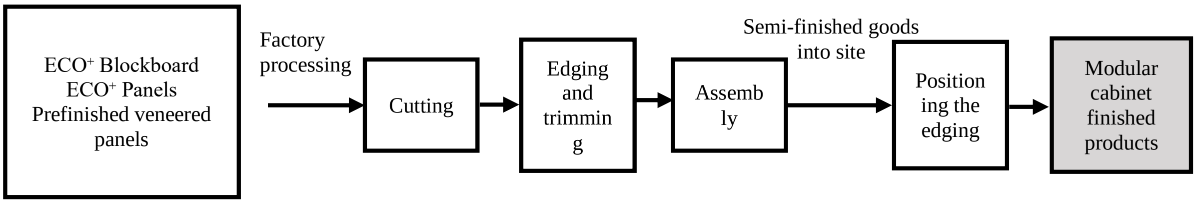
B. KD Flooring



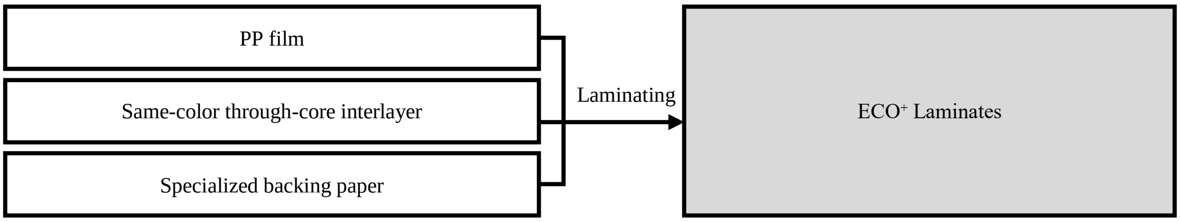
C. ECO+ Panels



D. KD Modular Cabinet



E. 環保美耐板ECO+ Laminates



(III) State of supply of major raw materials

Major raw materials	Supplier	Statement of supply
Veneer (including the veneer peeled off by the Company from purchased logs)	America, Europe, Africa, Mainland, Vietnam, Myanmar	Good
Paint	Taiwan	Good
Plywood, Blockboard	Taiwan, Malaysia, Indonesia, China	Good
PP、PVC Film	Japan, China	Good
Adhesive	Taiwan	Good

The Company's major raw materials are purchased from regular suppliers at home and abroad. Each type of raw materials is purchased from at least two suppliers. In addition, supplies abound and are of good quality.

(IV) List of major customers and suppliers

1. A list of any suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$1,000

Item	2024				2025			
	Title	Amount	As a percentage of annual purchase (%)	Relationship with the issuer	Title	Amount	As a percentage of annual purchase (%)	Relationship with the issuer
1	Company A	178,443	18.29	None	Company A	108,889	14.37	None
2	Company B	160,292	16.43	None	Company B	80,710	10.65	None
3	Company C	119,609	12.26	None	-	-	-	-
4	Others	517,498	53.02	—	Others	568,085	74.98	—
	Net purchase amount	975,842	100.00	—	Net purchase amount	757,684	100.0	—

Reason for increase or decrease: The purchase volume was adjusted by the Company based on the changes in customers' demand for products and market trend due to the pandemic.

2. A list of any customers accounting for 10 percent or more of the company's total sales in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures: The total sales to the Company’s top ten customers for fiscal years 2024 and 2025 accounted for 4.46% of net operating revenue in each respective year. There is no single customer whose sales exceeded 10% of the Company’s total sales revenue.

III. Information on In-service Employees in the Most Recent Two Years and up to the Publication Date of This Annual Report

May 02, 2026

Year		2024	2025	As of May 02, 2026
Number of employees	Managers	4	4	4
	General staff	410	549	553
	Production line operators	237	235	232
	Total	651	788	789
Average age		34.15	34.57	34.91
Average service years		3.82	3.96	4.05
Education dispersion rate (%)	Ph.D.	0.31	0.38	0.25
	Master	9.55	7.49	7.86
	Junior college	60.86	63.71	63.37
	Senior high school	26.04	25	25.48
	Below senior high school	3.24	3.42	3.04

IV. Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation and penalties paid), and disclosing measures being or to be taken (including improvement measures) and an estimate of possible expenses that could be incurred (including the losses, penalties, and compensation incurred had no response measures were taken). If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

V. Labor Relations

(I) The Company's various employee welfare measures, education, training, and retirement systems and their implementation status, as well as labor-management agreements and various other agreements.

1. Employee welfare measures and implementation status

The company has set up the Employee Welfare Committee, which is in accordance with the Labor Standards Law, Labor Insurance Ordinance, National Health Insurance Law and other related laws and regulations, to plan and provide quality benefits for colleagues, including employee travel subsidies, birthday gifts, wedding gifts, wedding and funeral gifts, maternity subsidies, etc. Each department organizes various kinds of gatherings from time to time, so that we can enjoy our lives even more while we work hard.

The company provides equal maternity and paternity leave as well as other leave rights to retain outstanding employees. When employees need to take a longer leave of absence due to childbirth, serious injury or illness, or major changes, they can also apply for leave without pay and then apply for reinstatement after the expiration of the period, in order to take care of both their personal and family needs.

2. Staff training and development

The Company has established education and training programs to cultivate employees' professional knowledge and skills, to enable them to perform their functions, to increase their work efficiency, and to ensure the quality of their work, in order to achieve the Company's goal of sustainable operation and development. The Company provides a variety of training programs and professional on-the-job training, including new recruit training, on-the-job training programs, labor safety and health education and training, professional courses, and a variety of job-related external training courses, in order to enhance employees' professional competence and core competitiveness, and to strengthen the complete training and education pipeline of the employees. In fiscal year 2025, the Company conducted a total of 165 internal training courses, with an aggregate of 765 training hours. A total of 35 external training courses were also conducted, with an aggregate of 242 training hours. Total training expenses amounted to approximately NT$577 thousand.

3. The Retirement System and its Implementation

(1) For employees covered under the “Labor Pension Act,” the Company makes monthly contributions equivalent to 6% of their wages to individual labor pension accounts. In fiscal year 2025, the total amount contributed was NT$19,340 thousand.

(2) Subsidiaries contribute retirement benefits in accordance with the laws and regulations of the countries in which they are located and recognize them as expenses in the current year.

4. Labor-management agreements

The Company's regulations are based on the Labor Standards Law. The Company attaches great importance to the opinions of its employees and adopts a two-way and open approach in communicating with them, with smooth internal communication channels, in order to maintain a good and harmonious interaction between employers and employees.

5. Diversity and equality in the workplace

The company actively creates a workplace environment of equality and respect, with female employees accounting for about 44% of the workforce. Talent selection is gender-neutral, respecting professionalism and providing job security. In the future, we will continue to pay attention to the issue of female employees and continue to optimize the relevant welfare system, so that we can give full play to our personal values and grow together with the company.

6. The situation of various measures to protect employees' rights and interests

The Company has established comprehensive regulations to protect employees' rights and interests, and regularly reviews and improves various welfare measures to ensure the highest protection of employees' rights and interests.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In 2021, the Company conducted mediation between the Company and four former business associates regarding overtime wage benefit recognition discrepancies.

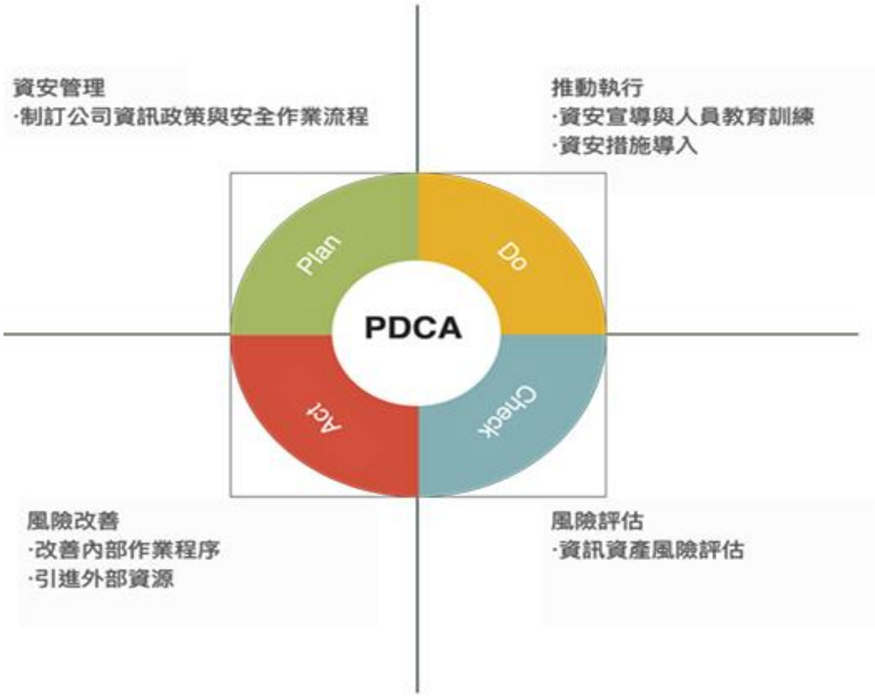
The debate ended on April 12, 2023, and the court ruled on June 5, 2023, that Keding must pay the plaintiff a total of NT$63,695 for overtime. Dissatisfied with the judgment, the plaintiff filed an appeal on June 15, 2023. The second mediation was originally scheduled for December 14, 2023, but due to the plaintiff's low cooperation, it was canceled and moved directly into court proceedings. On January 25, 2024, a court hearing notice was received, scheduling the preparation procedure for March 14, 2024, at 3:30 PM, with an extension set for May 2, 2024, at 4:00 PM to continue the preparation procedure. As of the date of the annual report printing, the litigation is still ongoing. The estimated amount that may occur in the future is very small and has no significant impact on the company.

VI. Cybersecurity Management

(I) Information Security Promotion Organization

1. In accordance with the Guidelines Governing the Establishment of an Internal Control System for Public Companies, the Company is classified as Level 2, with a dedicated information security officer and a dedicated information security staff, and regularly reports to the Board of Directors at least once a year on the implementation of information security management.
2. The information security authority of the Company is the information department of the information unit, which is responsible for planning, executing, and promoting information security management issues, as well as promoting information security awareness and implementation management.
3. The Audit Office of the Company is the auditing unit for information security supervision. If the audit reveals deficiencies, the audited unit will be required to propose relevant improvement plans and submit them to the Board of Directors, and the effectiveness of the improvements will be tracked on a regular basis in order to minimize the risk of internal information security.

(II) Organizational operation mode - PDCA (Plan-Do-Check-Act) cycle management is adopted to Information Security Policy and Objectives



The policies and objectives related to information and communication security shall be approved by the vice president or above, and the policies and objectives shall be reviewed regularly and the importance of the policies and objectives shall be communicated to the employees effectively.

1. Information Security Policy

In order to effectively utilize the resources and to support the implementation of information security, the Company gives different priority to the protection of information assets in order to maximize the effect of information security. The purpose of the information security policy is to ensure the smooth operation of the Company, the integrity of information, and the security of corporate secrets, in order to protect the Company's reputation. In order to maintain the confidentiality, integrity and availability of the Company's information assets, and to protect the privacy of users' data. We hope to achieve the following goals through the joint efforts of all employees of the Company.

1-1. Business Side: Prevent the occurrence of information security risk threats and mitigate the impact of information security incidents.
1-2. Confidentiality: Ensure the confidentiality of data is not leaked, and avoid improper use and access.
1-3. System: Enhance the availability of information equipment and systems to ensure the normal operation of the information system.
1-4. Awareness: All employees should understand the responsibilities and obligations of the information security system.

2. Information Security Objectives

2-1. Core Information System Availability.
2-2. Email open rate and attachment click rate for email social engineering exercise.

3. Information and Communication Security Procedures

The following considerations should be taken into account when conducting Ares-related business:
3-1. Core business and its importance
3-2. Inventory and Risk Assessment of the Information and Communication Systems
3-3. Information and Communication System Development and Maintenance Security
3-4. Information and Communication Security Protection and Control Measures
3-5. Management Measures for Outsourcing of Information and Communication Systems and Services
3-6. Information Security Incident Notification Response and Information Assessment Response
3-7. Continuous Improvement and Performance Management Mechanisms for Information and Communications Security

4. Information and Communication Security Education and Training

4-1. All personnel using the information system shall receive an information security awareness course annually, and the supervisor and personnel in charge of information security shall receive a professional information security course annually.
4-2. Join the Taiwan Computer Network Crisis Response and Coordination Center (TWCERT/CC) information sharing organization to obtain information on security alerts, threats, and vulnerabilities.
4-3. To fund security management programs:

(III) In order to enhance the information security and stability of the Company's operations, to provide reliable information services, to ensure the confidentiality, integrity, and availability of the information system, to enhance the user's awareness of information security, and to implement various management practices:

Management Issues	Work Instructions
1. Safety Management of Information Assets	1. Asset Inventory Regular annual inventory. 2. Signing of renewal maintenance and warranty operations for important assets.

Management Issues	Work Instructions
	3. Important system and data for local backup, off-site backup or cloud backup mechanism.
2. Personnel management and training	1. Continuously build up, publicize and promote the awareness of information security among employees to enhance information security progress. 2. Irregular information security promotions.
3. Physical and Environmental Safety Management	1. Access control is installed in the secure area of the information server room to ensure that only authorized personnel are allowed to access the information server room.Enter. 2. Information-related equipment should be appropriately placed, protected and monitored to minimize environmental threats. Damage caused by, for example, environmental temperature and humidity monitoring.
4. Computer system and network security management	1. External and personal computer network devices are not allowed to connect to the company network privately. 2. Enterprise Wi-Fi systems can only be connected after system integration and validation. Important The data is protected by a file encryption mechanism. 3. Use professional anti-virus software and update it automatically. 4. Set up the new generation network firewall and set up the connection rules to ensure the safety of use. 5. Set up endpoint protection for server hosts, information units, and senior executives. 6. Use SSL VPN to add a secondary authentication MFA mechanism. 7. Mail system spam transfer, virus threat protection and host computer vulnerability scanning and major patch updates.
5. System access control security	1. System privileges are accessed according to the employee's duties and functions through the privilege application process. Yearly Conduct regular authority reviews. 2. Principles for setting passwords, locks and complexity. 3. Server login adopts an MFA mechanism.
6. Security management for system development, exploitation and maintenance.	1. The information security requirements of self-developed or outsourced systems should be taken into consideration. Maintaining, updating, upgrading and version change operations of the system to avoid improper hazards.
7. Operational continuity	1. Risk assessment and disaster recovery drills are conducted annually in accordance with the company's business continuity plan. The company also conducts system disaster recovery drills to ensure the availability of the information system. 2. The backup mechanism follows the 3-2-1 principle.

(IV) Investing resources in information security management:

1. Formulate information security related specifications in accordance with ISO 27001, including information security education and training, and operational continuous performance. In addition, we will enhance staff awareness of information security to minimize the risk of misuse and leakage of information assets due to human negligence or natural disasters. Risks associated with leakage, tampering or damage.
2. The Company performs at least one email social engineering exercise per year for about 300 people.

3. In 2025, the Company allocated an information security budget of approximately NT$2 million, including:

Information Security Classification	Content	Amount (NT$10 thousand/year)
Operational Continuity and Disaster Preparedness	Backup Equipment and Exercise Related Costs	NT$890 thousand
Information Security Boundary Protection	Replacement and maintenance costs for anti-virus software, SPAM, endpoint protection, MFA, and other protective equipment.	NT$1,110 thousand

4. The estimated information security budget for 2026 is approximately NT$2.5 million, including:

Information Security Classification	Content	Amount (NT$10 thousand/year)
Operational Continuity and Disaster Preparedness	Backup Equipment and Exercise Related Costs	NT$1,000 thousand
Information Security Boundary Protection	Replacement and maintenance costs for anti-virus software, SPAM, endpoint protection, MFA, and other protective equipment.	NT$1,500 thousand

(V) Losses suffered due to major information and communication security incidents, possible impacts and measures to cope with the situation for the most recent year and up to the printing date of the annual report: None.

Information Security Indicators	Information Security Claims	External sabotage, data theft or virus threats	Information system anomaly or equipment abnormality affecting operation event
2025 Incident Statistics (Cases)	0 cases	1 case [Note 1]	0 cases

[Note 1] On March 17, 2025 at 07:30, a ransomware attack ("CrazyHunter") occurred. No personal data or related documents were leaked. The affected systems were operated using backup systems, and system recovery was carried out gradually from March 17 to March 26. However, the EIP system was damaged and abnormalities were found in the cloud backup files. As the Company was in the process of implementing a new BPM system, it was decided to discontinue recovery efforts.

VII. Important Contracts

Contract type	Party	Contract term	Main content	Restrictive covenants
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2020.07.07-2040.07.07	Capital loan	Land and buildings as collateral
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2020.07.14-2027.07.14	Capital loan	Land and buildings as collateral
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2023.06.30-2026.06.30	Capital loan	Land and buildings as collateral
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2024.07.03-2027.07.03	Capital loan	Land and buildings as collateral
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2024.07.03-2031.07.03	Capital loan	Land and buildings as collateral
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2024.06.26-2031.06.26	Capital loan	Land and buildings as collateral
Loan agreement	Chang Hwa Commercial Bank, Ltd.	2025.07.09-2028.07.09	Capital loan	Land and buildings as collateral
Loan agreement	Taiwan Business Bank	2022.07.22-2027.07.22	Capital loan	Land as collateral
Loan agreement	Taiwan Business Bank	2023.01.03-2028.01.03	Capital loan	Land as collateral
Loan agreement	Taiwan Business Bank	2024.05.30-2027.05.30	Capital loan	Land as collateral - factory financing
Loan agreement	Mega Bills Finance Corporation	2025.01.20-2026.01.19	Secured loans	Real estate collateral
Loan agreement	Taipei Fubon Commercial Bank Co., Ltd.	2025.04.11-2026.04.11	Secured loans	Real estate collateral

V. Review and Analysis of the Financial Position and Financial Performance, and Risks

I. Financial Position Comparison and Analysis

Unit: In NT$1,000; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	1,724,484	1,636,149	(88,335)	-5.12%
Property, plant, and equipment	3,698,250	3,883,680	185,430	5.01%
Intangible assets	12,355	14,640	2,285	18.49%
Other assets	3,001,992	3,226,189	224,197	7.47%
Total Assets	8,437,081	8,760,658	323,577	3.84%
Current liabilities	1,622,243	1,978,711	356,468	21.97%
Non-current liabilities	4,338,895	4,241,808	(97,087)	-2.24%
Total liabilities	5,961,138	6,220,519	259,381	4.35%
Share capital	821,813	805,718	(16,095)	-1.96%
Capital reserves	78,385	17,820	(60,565)	-77.27%
Retained earnings	930,740	847,427	(83,313)	-8.95%
Other equity interest	979,741	1,050,392	70,651	7.21%
Treasury shares	(337,671)	(186,211)	(151,460)	-44.85%
Total Equity	2,475,943	2,540,139	64,196	2.59%

Please specify the reasons for significant changes in assets, liabilities, and equity in the most recent two years and the effects of such changes (the word "significant" means those changes from the previous period reaching 20% and NT$10 million)：

(1) Current assets assets：Primarily due to the increase in short-term bills payable.

(2) Capital reserves interest：Primarily due to the cancellation of treasury shares..

(3) Treasury shares interest：Primarily due to the cancellation of treasury shares.

II. Financial Performance Comparison and Analysis

Unit: In NT$1,000; %

Item \ Year	2024	2025	Increase or decrease amount	Percentage of change (%)
Net operating revenue	2,503,330	2,599,891	96,561	3.86%
Gross profit	1,301,247	1,297,257	(3,990)	-0.31%
Operating profit or loss	461,213	409,709	(51,504)	-11.17%
Non-operating income and expenditure	11,390	(25,162)	(36,552)	-320.91%
Profit before tax	472,603	384,547	(88,056)	-18.63%
Net profit of the current period	385,671	309,912	(75,759)	-19.64%
Other comprehensive income (net after tax) for the period	671,559	70,398	(601,161)	-89.52%
Total comprehensive income for the period	1,057,230	380,310	(676,920)	-64.03%
Net profits attributable to owners of the Company	386,374	307,601	(78,773)	-20.39%
Total comprehensive income attributable to owners of the parent.	1,057,840	378,252	(679,588)	-64.24%

Please specify the reasons for significant changes in operating revenue, operating profit margin, and profit before tax in the most recent two years and the effects of such changes (the word "significant" means those changes from the previous period reaching 20% and NT$10 million)：

(1) Non-operating income and expenditure：Primarily due to an increase in finance costs and an increase in net foreign exchange losses.

(2) Other comprehensive income: Mainly due to revaluation appreciation of investment real estate.

(3) Total comprehensive income, net profit attributable to owners of the Company, and total comprehensive income attributable to owners of the Company: primarily due to a decrease in profit before tax and a decrease in revaluation gains on investment properties.

III. Cash Flow Analysis

(I) Analysis and description of cash flow changes during the most recent fiscal year：

Unit: NT$1,000

Cash balance, beginning (1)	Net cash flows from operating activities in the year (2)	Net cash outflows from investing activities and financing activities in the year (3)	Cash surplus (shortage) (1)+(2)+(3)	Remedies for cash shortage	
				Investment plan	Wealth management plan
116,083	589,308	-565,835	139,556	-	-

Analysis and description：

(1) Analysis of changes in cash flows in the current year:

Operating activities: Net cash inflows from operating activities

Investing activities: Net cash outflows were mainly due to the purchase of property, plant, and equipment

Financing activities: Net cash outflows were mainly due to distribution of cash dividends.

(2) Measures to be taken to cope with a cash shortfall and liquidity analysis: Not applicable.

(II) Corrective measures to be taken in response to illiquidity：The Company has sufficient cash; there was no such thing as illiquidity.

(III) Analysis of cash flows for the coming year：

Unit: NT$1,000

Cash balance, beginning (1)	Net cash flows from operating activities in the year (2)	Cash outflows from investing activities and financing activities in the year (3)	Cash surplus (shortage) (1)+(2)+(3)	Remedies for cash shortage	
				Investment plan	Wealth management plan
139,556	750,202	-435,319	454,439	-	-

Analysis and description：

(1) Analysis of changes in cash flows for the following year：

Operating activities：Estimated cash flows from operating activities

Investing activities：Net cash outflows were mainly due to the estimate for plant construction and equipment purchase.

Financing activities：Net cash outflows were mainly due to the estimate for repayment of loans.

(2) Measures to be taken to cope with a cash shortfall and liquidity analysis：Not applicable.

IV. Effect of Major Capital Expenditures on Finance and Business Matters in the Most Recent Year

The Company incurred capital expenditures of NT$624,583 thousand in 2024 and NT$462,225 thousand in 2025, respectively. Such capital was mainly composed of own funds and bank borrowings, and was used for setting up automation equipment and incorporating the planing process in the upstream into the production lines. By integrating the productions line and through the automated production mode, the Company not only saved manpower, energy and materials consumption, but also improved the production capacity as a whole and optimized products.

V. Investment Policy for the Most Recent Year, the Main Reasons for Profit or Loss, Improvement Plan, and Investment Plan for the Coming Year

(I) Reinvestment policy：

The Company’s investment strategy is centered on supporting the development of its core business and long-term strategic positioning, rather than pursuing short-term financial investments. Through appropriate domestic and overseas investment arrangements, the Company integrates market expansion and customer service requirements to continuously expand the Group’s operating scale, while strengthening synergies from both vertical integration and horizontal expansion, thereby enhancing overall competitiveness and operational resilience.

The Company’s investment operations are conducted in accordance with the “Procedures for Acquisition or Disposal of Assets” and the “Regulations Governing Supervision and Management of Subsidiaries,” as approved by the Board of Directors or the shareholders’ meeting, and are implemented in compliance with the internal control system governing the investment cycle. In addition, each subsidiary not only complies with the Company’s relevant policies and systems but also establishes appropriate internal control and management mechanisms in accordance with local laws and actual operational needs.

With respect to post-investment management, the Company continuously strengthens the supervision and performance management of its investees, while integrating group and strategic partner resources to promote the realization of business synergies and collaboration benefits. At the same time, subsidiaries are required to comply with applicable laws and regulations as well as corporate social responsibility requirements to ensure regulatory compliance and sustainable operations. Through standardized management and resource integration mechanisms, the Company continues to enhance overall investment performance and strengthen the foundation for the Group’s long-term development.

(II) Main reasons for profit or loss on investment in the most recent year, and the improvement plan thereof：

Unit: NT$1,000

Reason for profits or losses	Improvement plan	Profit (loss) recognized for the year 2025	Reason for profits or losses	Improvement plan
Keding (Hong Kong) Enterprises Limited	1,296	(1,268)	Primarily due to a slight decrease in orders.	Enhancement of the profit and loss

Reason for profits or losses	Improvement plan	Profit (loss) recognized for the year 2025	Reason for profits or losses	Improvement plan
				monitoring mechanism
Keding Enterprises Pte.Ltd.	20,282	13,469	Primarily due to steady growth in orders.	
Keding Enterprises Sdn. Bhd.	1,222	(647)	Primarily due to a slight decrease in orders.	Enhancement of the profit and loss monitoring mechanism
Keding Enterprises Co., Ltd.	30,236	3,317	Gains on investment in investees in China that are accounted for using the equity method.	
Keding Enterperises Inc.	(2,559)	265	Primarily due to steady growth in orders.	
Keding Enterprises Private Limited	(4,821)	2,943	Primarily due to steady growth in orders.	
PT Keding Panels Indonesia	(1,054)	3,467	Primarily due to steady growth in orders.	
Keding Enterprise, Llc	(4,832)	(219)	The loss was because the expenditures on the new operation exceeded the gross profits.	Enhancement of the profit and loss monitoring mechanism
Keding Vietnam Co., Ltd	636	2,159	Primarily due to steady growth in orders.	
Keding Enterprises （Korea） Co., Ltd.	(110)	(27)	The loss was because the expenditures on the new operation exceeded the gross profits.	Enhancement of the profit and loss monitoring mechanism
Keding Enterprises （Thailand） Co., Ltd.	(2,659)	7,362	Primarily due to steady growth in orders.	
Keding Japan Inc.	-	(3,746)	The loss was because the expenditures on the new operation exceeded the gross profits.	Enhancement of the profit and loss monitoring mechanism
Keding Enterprises （UK） Ltd.	-	(2,309)	The loss was because the expenditures on the new operation exceeded the gross profits.	Enhancement of the profit and loss monitoring mechanism
Yang Jin Co., Ltd.	(383)	(2,895)	Primarily due to a slight decrease in orders.	Enhancement of the profit and loss monitoring mechanism

Reason for profits or losses	Improvement plan	Profit (loss) recognized for the year 2025	Reason for profits or losses	Improvement plan
Keding (Shanghai) Trading Co., Ltd.	30,265	3,369	Primarily due to steady growth in orders.	
Keding (Wuxi) New Decorative Materials Co., Ltd.	(4,215)	(2,890)	The loss was because the expenditures on the new operation exceeded the gross profits.	Enhancement of the profit and loss monitoring mechanism

(III) Investment plan for the following year：

With Taiwan serving as the core of its operations and R&D activities, the Company continues to deepen its presence in existing markets across Asia and Southeast Asia, while prudently expanding into European and American markets to progressively optimize its global footprint.By focusing on high value-added products and expanding its international customer base, the Company aims to enhance revenue scale and profitability, strengthen global brand visibility, and steadily advance its globalization strategy.

VI. Assessment of Risks

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

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

The Company’s interest expenses for fiscal years 2024 and 2025 amounted to NT$71,578 thousand and NT$100,480 thousand, respectively, representing 2.86% and 3.86% of net operating revenue for the respective periods. Such expenses mainly arose from financing costs related to short-term and long-term borrowings, short-term notes payable, and lease liabilities.As the amounts are relatively limited, they do not have a material effect on the Company’s operations and financial performance. Therefore, the impact of interest rate fluctuations on the Company’s profit or loss is considered limited. The Company will continue to monitor changes in domestic and international economic conditions and take appropriate measures in a timely manner to mitigate risks arising from interest rate volatility.

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

The Company’s net foreign exchange gains and losses for fiscal years 2024 and 2025 amounted to NT$9,634 thousand and NT$(9,736) thousand, respectively, representing 0.38% and (0.37)% of net operating revenue for the respective periods.The Company’s sales transactions with overseas customers are primarily denominated in U.S. dollars. Purchases from suppliers are mainly denominated in New Taiwan dollars and U.S. dollars. Accordingly, fluctuations in the exchange rate between the U.S. dollar and the New Taiwan dollar have a certain impact on the Company’s profit or loss.In addition, the Company’s subsidiaries in China mainly settle procurement transactions in U.S. dollars, while Renminbi is primarily used for daily operating expenses. Therefore, appreciation of the Renminbi against the U.S. dollar may result in higher foreign exchange gains for the Company’s China subsidiaries.As a result, fluctuations in foreign exchange rates may have a certain impact on the Company’s revenue and profitability.

The Company's financial units will keep in close contact with each financial institution depending on the situations, and will ask them to provide professional consulting services in order to grasp the international exchange rate trend. Meanwhile, when giving quotations, sales specialists must factor in possible effects arising from exchange rate changes, so as to avoid the impact of exchange rate changes on the selling price.

3. The effect upon the company's profits (losses) of inflation, and response measures to be taken in the future.

Inflation has no significant impact on the Company's profit and loss. The Company always pays close attention to market prices fluctuation and inflation. If the cost of goods sold increases due to inflation, the Company will also raise the materials price and selling price and notify customers in a timely manner. Therefore, the Company is still able to effectively control the impact of inflation on its profits.

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

1. The company's policy regarding high-risk investments and highly leveraged investments; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company focuses on its operations based on the principle of robustness and the philosophy of practicality. In the most recent year and in the current year up to the publication date of this annual report, the Company did not engage in any high-risk investments or highly leveraged investments.

2. The company's policy regarding loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

In the most recent year and in the current year up to the publication date of this annual report, the Company did not engage in loaning of funds to others or making endorsements or guarantees, except for business needs with its subsidiaries. If the Company wish to engage in loaning of funds to others, making endorsements or guarantees, and transacting derivatives in the future, the Company will do so by its "Regulations Governing Loaning of Funds" and "Regulations Governing Making of Endorsements/Guarantees."

The Company transacts derivatives in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" passed by the Board of Directors and Shareholders' Meeting, and mainly to hedge risks and reduce the risk of impact of interest rate changes or exchange rate changes on the assets and liabilities substantively owned by the Company, Under such principle, derivatives transaction made by the Company correspond to the position substantively held by the Company. The gain or loss incurred in the interim is mainly due to the difference between the time when the gain or loss on disposal of substantive assets is recognized and the time when the gain or loss on derivatives transaction is recognized; the actual gain or loss is not significant. Except for that purpose, the Company did not engage in any high-risk derivatives transaction.

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

1. Research and development work to be carried out in the future

The Company adheres to a market-oriented R&D philosophy and continues to invest in product innovation and process technology advancement. Through the development of a diversified product portfolio, the Company is building a one-stop supply capability covering both surface materials and ancillary materials to meet comprehensive interior renovation requirements, thereby increasing customers’ average order value and strengthening customer loyalty and retention.

The Company’s current R&D focus is on ECO+ Laminates and Modular Cabinet-related products.In terms of material technology, ECO+ Laminates utilize non-toxic polypropylene (PP) surface materials with a color-through structure, effectively addressing the common issues of dark edges and visible black lines found in traditional products. The material also features flexibility, enhancing design versatility and expanding its range of applications.For modular cabinet products, the Company offers a wide range of surface and core material options, combined with thick edge-banding design to enhance product durability and overall aesthetic quality, thereby meeting customers’ customization requirements.

In terms of process technology, the Company continues to optimize wood material pre-treatment and manufacturing processes to enhance product yield, color stability, and overall product quality. In addition, the Company actively introduces automation equipment and promotes production line optimization to improve manufacturing efficiency, reduce labor dependency, and strengthen production scalability and product consistency.

Looking ahead, the Company will continue to advance material innovation and process upgrades, expand product application scope, and integrate its one-stop solution advantages to enhance overall solution capabilities. Guided by the core principles of “innovation, quality, and aesthetics,” the Company will steadily strengthen its brand value and market competitiveness, while continuously driving business growth and improving long-term operating performance.

2. Expenditures expected for research and development work:

The Company's R&D expenditures are primarily allocated based on the rolling progress of new product and new technology development, with the aim of continuously enhancing innovation capabilities and consolidating market competitive advantage. It is expected that 2% to 5% of the operating revenue for the current period will be invested as R&D expenditures for manpower and resources dedicated to new product development and technology upgrades.

The company will dynamically adjust the allocation of R&D resources based on actual operational conditions and market demand, ensuring that R&D plans remain sufficiently flexible to swiftly adapt direction and progress in response to market trends. While steadily advancing R&D output, we also ensure the maximization of resource utilization efficiency, further consolidating the Company's leading technological position in the building materials industry.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal

The Company closely monitors significant government policies and regulatory developments in the countries where it operates that may affect its industry, and adopts appropriate business strategies accordingly. At the same time, the Company continues to develop new technologies and products aligned with industry trends to expand its market presence.

In its daily operations, the Company complies with all applicable domestic and international laws and regulations. The Company also closely monitors developments in major domestic and international policies and regulatory changes, collects relevant information, and provides such information to management as a reference for decision-making. This enables the Company to respond promptly to changes in the operating environment and make timely adjustments to its business strategies.

As of the date of publication of this Annual Report, the Company has not been materially affected in its financial condition or business operations by any significant changes in domestic or international government policies or laws and regulations.

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

In response to the growing importance of information security issues, the Company has been actively cultivating information security talents, introducing more comprehensive and complete security protection from the network to the endpoints, and continuing to strengthen the detection, monitoring and notification mechanism of information security incidents. We have also joined the Taiwan Computer Network Crisis Response and Coordination Center (TWCERT/CC) information sharing organization to obtain information on security alerts, threats, and vulnerabilities, and to discuss and respond to security issues of concern to all parties. Meanwhile, in order to raise employees' awareness of information security, we regularly implement measures such as information security and anti-virus notification, information security publicity, social engineering email drills, and information security education and training. We have adopted the strategies of strengthening internal protection, minimizing external attacks, and enhancing information security awareness to build up a resilient corporate information security in the face of more severe cyber threats.

For the recent years and up to the printing date of the annual report, there were no significant impacts on the Company's financial operations due to technological and industrial changes.

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

Since incorporation, the Company has adhered to professional operations in running its core business, complied with relevant laws and regulations, continuously strengthened its internal management systems, and improved operational quality and performance to maintain a good corporate image and customer trust. In recent years and up to the printing date of the annual report, there has been no occurrence of changes in corporate image affecting operations. However, with the acceleration of information dissemination and the diversification of social focus issues, corporate image management has become a key issue. In the future, if there are occurrences of negative Volume, operational disputes, or poor ESG performance, they may all impact brand and trustworthiness. The Company will continue to implement corporate governance and principles of ethical business conduct, strengthen crisis response and communication mechanisms to reduce corporate risks, and steadily maintain corporate image and sustainable development.

To promote innovation and protect our independent key technologies, our company has formulated an intellectual property strategy by combining operational goals and R&D resources. This strategy aims to create an operating model that not only protects the company's intellectual property rights but also conducts relevant R&D in line with the company's innovative business model and sustainable operating philosophy to strengthen the company's competitive advantage.

A. Trade Secret Managemen

1. Trade secret management regulations for employees are outlined in the "Personal Data Protection and Trade Secret Confidentiality Agreement," requiring all employees to maintain the confidentiality of company secrets and refrain from disclosing such secrets after employment or departure.
2. Strengthen the dissemination of company confidentiality requirements and regulations to ensure all personnel are aware of trade secrets, effectively promoting legal awareness.
3. All departments within the company must take appropriate confidentiality measures when handling information of economic value or confidentiality related to the company's production, sales, and operations.
4. All company employees are equipped with access cards. Non-employees must register their identity upon entry and are restricted to public areas, always accompanied by a company employee.
5. All company computer equipment uses employee personal account passwords for login and identification, and passwords must be changed regularly to ensure a robust information security environment.

B. Patent Management

1. The R&D unit conducts technology development and, through internal review and assistance from external patent agencies, submits patent applications.
2. Regularly monitors patents and stays abreast of recent patent approvals in the industry to understand market trends
3. Regularly reviews the usage of granted patents and their relevance to the product to assess the necessity of continued maintenance.

C. Trademark Managemen

1. Register and obtain trademark rights to protect the company's fairness and stability in market competition, enhance the recognizability of the company's products and services, and prevent unfair competition.
2. The company and its subsidiaries shall use the company's and its subsidiaries' registered trademarks on goods, documents, advertisements, and websites related to the company's business
3. Regularly maintain and review the use of registered trademarks to assess the necessity of continued maintenance; observe the company's future development plans and apply for new trademark registrations in advance.

Implementation Status:

- The Company regularly submits reports on intellectual property-related matters to the Board of Directors annually, with the most recent submission date being November 11, 2025.
- Since 2023, the Company has implemented an "Intellectual Property Management Plan" to improve the quality of its intellectual property.

The 2025 implementation status is as follows:

Intellectual Property Achievements and Results in 2025: 29 patent applications, 15 valid patents, and 25 valid trademarks.

In 2025, the Company continued to align with the ESG sustainable development policy, promoting intellectual property rights and patent systems, strengthening employees' awareness of intellectual property management in a digital environment, and ensuring that operations complied with relevant regulations. To maintain the integrity and accuracy of trademark assets, the Company continued to promote and regularly audit the trademark management system, ensuring timely data updates and improving the implementation of trademark management systems and evidence of use documentation across all departments.

In response to global market expansion needs, the Company continued to promote overseas intellectual property development. Regarding important matters such as intellectual property development analysis, legal compliance system establishment, and management system integration, the Company regularly tracked progress through business meetings to understand the effectiveness of the initiatives and effectively manage related operational risks.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken：

The Company continues to promote organizational reform, adjust its fitness, and promote rational management. As of the publication date of the annual report, the Company and its subsidiaries did not have and M&A plan, so M&A should not significantly impact the Company's shareholder equity. If the Company has any M&A plan in the future, such plan may be carried out only after a careful assessment in accordance with the Company's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", so as to ensure the interests of the Company and shareholders.

(VIII) Expected benefits and possible risks associated with any factory expansion, and mitigation measures being or to be taken：

To meet customer demand, accommodate diverse customized panel products, and enhance sales through rapid local processing and delivery, the Company continues to expand its production facilities. The expansion of production capacity enables the Company to secure additional orders, improve revenue and profitability, and strengthen its competitive position within the industry.

To support future market demand, the Company has established a forecasting and evaluation system to assess the benefits of capacity expansion. As of the date of publication of this Annual Report, the benefits of the Company's plant expansion remain in line with management's expectations.

Plant expansion may be subject to risks such as fluctuations in market demand, economic cycles, volatility in raw material prices, construction delays, or lower-than-expected capacity utilization. The Company will continue to monitor market trends and customer demand, implement a phased capacity expansion plan, strengthen order acquisition efforts, diversify its product portfolio, and continuously optimize production scheduling and cost management. These measures are intended to improve capacity utilization and operational flexibility while mitigating the potential impact of such risks on the Company's operations.

(IX) Risks associated with any concentration of sales or purchasing operations, and mitigation measures being or to be taken：

1. Purchase:

The major raw materials of Company's products include logs, veneer, wood flooring, substrate, and paints. The raw material purchase strategy takes into account the comprehensive assessment of suppliers' quality, price, lead time, and extent of cooperation. Currently the Company mainly purchases from suppliers at home and abroad. Aside from maintaining a good relationship with existing suppliers, the Company also actively seeks and develops new, good suppliers. Each type of raw material is purchased from at least two suppliers. In addition, the Company always has a proper amount of raw materials inventory, which is readily available at the time of an emergency or force majeure. Therefore, the Company does not face the risk of concentration of purchase.

2. Sale：

The total sales to the Company’s top ten customers for fiscal years 2024 and 2025 accounted for 4.46% of net operating revenue in each respective year. The Company does not exhibit significant customer concentration among its top ten customers, and serves more than 60,000 customers annually. In addition, no single customer accounts for more than 10% of the Company’s total operating revenue. Accordingly, the Company does not have a material concentration of sales to any single customer.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken：

In the most recent year and in the current year up to the publication date of this annual report, there was no occurrence where a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands.

(XI) Effect upon and risk to Company associated with any change in management rights：

The management team of the Company is committed to sustainable development and operations. In the most recent year and in the current year up to the publication date of this annual report, the Company did not see its management rights change hands.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report：

1. List major litigious, non-litigious or administrative disputes that: (1) involve the company; (2) have been concluded by means of a final and unappealable judgment, or are still under litigation; and (3) could materially affect shareholders' equity or the prices of the company's securities：

   (1) The mediation between the Company and the former employees regarding the discrepancy in the recognition of overtime pay in 2021 has not yet reached a conclusion, and is currently awaiting a court hearing. It was assessed that the case would have no material adverse impact on the Company's finances, operations and shareholders' equity due to the limited amount of money involved.

   Since the said litigation content does not involve the Company's products, the Company's financial and business affairs should not be affected. Therefore, the litigation results are not likely to materially impact the Company's shareholder equity or securities price.

2. List major litigious, non-litigious or administrative disputes that: (1) involve any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation; and (3) could materially affect shareholders' equity or the prices of the company's securities：None.

(XIII) Other critical risks and response measures：None.

VII. Other Important Matters: None.

VI. Special Items

I. Related-party and affiliated enterprise information:

The Company has disclosed the relevant information in accordance with applicable regulations in the "Three Forms of Affiliated Enterprises and Related Parties" section on the Market Observation Post System (MOPS).

Please refer to the following MOPS website:

1. Navigation path (New MOPS): Market Observation Post System → Single Company → Electronic Document Download → Three Forms of Affiliated Enterprises and Related Parties
2. Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private Placement of Marketable Securities in the Most Recent Year and up to the Publication Date of This Annual Report: None.

III. Other Matters that Require Additional Explanation: None.

IV. Where any of the situations listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, have occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

KEDING Interior Material Solutions

❶ KD Panels ❸ ECO+ Laminates ❹ TRUE+ Panels
❼ Laminate Flooring ❽ SPC Flooring ⓬ Interior Doors