

**Stock Code: 9929**

# **Choice Development, Inc.**

**2024**

## **Annual Report**

**Annual report enquiry website: Market Observation Post System**

**<http://mops.twse.com.tw>**

**Website: <http://www.choiceprintgroup.com>**

**Date of printing: March 31, 2025**

## 1. Spokesperson and Deputy Spokeperson

Spokesperson: Wang, Pei-Ling

Title: Manager

Tel No.: (02)8768-1999

Email address: [vivian@choicecompany.com.tw](mailto:vivian@choicecompany.com.tw)

Deputy Spokesperson: Lee, Chen-Hua

Title: Manager

Tel. No.: (02)8768-1999

Email address: [alfa@choicecompany.com.tw](mailto:alfa@choicecompany.com.tw)

## 2. Headquarters, branch offices, and factories:

<u>Unit</u>	<u>Address</u>	<u>Tel. No.</u>
Head office	9F, No. 288, Sec. 6, Civic Bulevard, Taipei City	(02) 8768-1999
Branch	No. 13, Xinxin Rd., Tainan City	(06) 261-3121
Tainan Plant	No. 13, Xinxin Rd., Tainan City	(06) 261-3121

## 3. Agency handling shares transfer:

Name: Stock Transfer Agency Department, Grand Forture Securities

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Taipei City

Website: <http://www.gfortune.com.tw>

Tel. No.: (02) 2383-6888

## 4. Certified public accountants who duly audited the annual financial report for the most recent fiscal year

Auditors: Hsin, Yu-Cheng, Yeh, Shu-Chuan

Name: Deloitte Taiwan

Address: 20F, No. 100, Songren Rd. Xinyi District, Taipei City

Website: <http://deloitte.com.tw>

Tel No.: (02)2725-9988

## 5. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: Nil

## 6. Company's website: <http://www.choiceprintgroup.com>

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# I. Report to the shareholders

To the Shareholders:

I would like to appreciate all shareholders for taking the time to attend the company's annual general meeting of shareholders' meeting and express our deep gratitude.

## 1. Operation Results

With the trends of sustainable development and smart technology advancement, digital applications are becoming increasingly prevalent, impacting the printing industry. As a result, the Company's revenue from printing products in 2024 saw a significant decline compared to 2023, affecting overall operational performance. To enhance business profitability and adapt to market changes, we have actively reviewed human resource allocation and operating costs. Additionally, a new business division has been established to diversify operations and facilitate transformation. By identifying future trends, integrating resources across industries, and creating new value and business opportunities, we aim to provide diversified and one-stop comprehensive solutions to improve operational performance.

## 2. Earning Power

Unit: NT\$1,000

Account title \ Year	FY2024	FY2023
Operating revenue	654,870	701,308
Gross Profit	66,440	70,410
Operating income	(15,083)	(6,376)
Net income	(24,434)	(141,008)

Note: In 2023, OMNI Media Company recorded a litigation loss of NT\$160,521 (thousand), resulting in a higher net loss after tax

## 3. Summary of 2025 Business Plan

The Company's key business strategies for 2025 are as follows:

(1) To expand the new business division, diversify further our products, meet customer needs, and increase revenue sources.

I. Core Concepts:

- Diversification of Operations: Expand the new business division to increase the variety of products and services.
- Customer Orientation: Provide diversified solutions centered on customer needs.
- Business Expansion: Develop new markets and customer bases through the new business division.

II. Expected Benefits:

- Expansion of revenue sources and reduction of dependence on a single product or service.
- Business growth through exploration of new market opportunities.

(2) To keep on upgrading equipment, optimizing production layout and processes, and to increase outsourced processing to enhance facility utilization and production efficiency.

I. Core Concepts:

- Production Optimization: Improve production efficiency and quality through equipment upgrades and production line adjustments.
- Cost Control: Increase outsourced processing to lower production costs and fixed asset investments.

- Space Utilization: Optimize factory space usage to enhance production efficiency and flexibility.
- II. Expected Benefits:
  - Reduction in production costs and increase of profit margins.
  - Optimization of factory space utilization and improvement of production flexibility.
- (3) To develop actively high-quality outsourcing suppliers, enhance personnel's price negotiation capabilities, and establish an efficient internal platform system for order management to automate pricing and operational processes.
  - I. Core Concepts:
    - Supply Chain Optimization: Enhance the flexibility and competitiveness of supply chain by building up a rich database of outsourcing suppliers
    - Cost Control: Strengthen price negotiation capabilities to reduce procurement costs.
    - **Process Optimization:** Establish an order management platform to enhance pricing and process efficiency.
  - II. Expected Benefits:
    - Decrease in procurement costs and increase of profit margins.
    - Optimization of operational processes and improvement of production efficiency.
- (4) To implement occupational safety and health training and management, and to enhance personnel's safety awareness and protection capabilities.
  - I. Core Concepts:
    - Personnel Care: Prioritize personnel safety and health to create a safe and healthy work environment.
    - Risk Prevention: Reduce workplace safety risks through occupational safety training and management.
    - Corporate Responsibility: Fulfill corporate social responsibility and protect personnel's legal rights.
  - II. Expected Benefits:
    - Reduction of occupational accident rate and the safeguard of personnel's safety and health.
    - Fostering a safe and healthy working environment, enhancing personnel's satisfaction and sense of belonging.

#### **4. Future company development strategy:**

1. To continue integrating company-related resources to improve operational efficiency.
2. To maintain strong trust-based relationships with customers and suppliers to promote long-term cooperation.
3. To reduce costs, minimize waste, and enhance product quality.
4. To optimize asset utilization to create new revenue sources.
5. To pursue stable investment returns to ensure the Company's long-term development.

#### **5. Confronted with external competitions, regulatory requirements and overall business difficulties:**

We, as a company, confronted with external competition, regulatory requirements, and overall business difficulties. While striving to generate company profits and protect shareholders' interests, we consistently monitor industry trends and proactively respond to external environmental impacts. Committed to compliance with relevant regulations, we also contribute to society's sustainable development. As we look ahead to 2025, we recognize the challenges that lie ahead. Yet, through our collective efforts and the dedication of our entire team, we remain steadfast in overcoming obstacles. We firmly believe that this perseverance will lead to outstanding results.

Chairman: Chen, Hui-Yu



## II. Corporate governance report

### 1. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

#### (1) Directors

##### 1-1 Information on Directors (1)

Job Title	Nationality or place of registration	Name	Gender, Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share-holding ratio	No. of shares (note 4)	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship
Chairman	ROC	Chen, Hui-Yu	M 51-60	2023.6.14	3	2011.6.15	3,000,057	2.96%	3,000,057	2.96%	-	-	-	-	Dept of Animal Science, NTU	Note 1	No	No	No
Director	ROC	Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	-	2023.6.14	3	2014.6.23	5,022,409	4.96%	5,022,409	4.96%	-	-	-	-	Master, Institute of Mathematics, Tamkang University	Note 2	No	No	No
	ROC		M 61-70			2014.6.23	57,799	0.06%	57,799	0.06%	597,635	0.59%	-	-					
Director	ROC	Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	-	2023.6.14	3	2008.06.13	626,922	0.62%	626,922	0.62%	-	-	-	-	Dept of Civil Engineering, Chung Yuan University	Supervisor of Choice of Logistic Inc.	No	No	No
	ROC		M 71-80			1993.05.03	1,779,553	1.76%	1,440,553	1.42%	744	0.001%	-	-					
Director	ROC	Kuo, Cheng-Hung, the representative of Wei Chen Investment Co., Ltd.	-	2023.6.14	3		577,996	0.57%	577,996	0.57%	-	-	-	-	Master of Business Administration National Taiwan University	Note 3	No	No	No
	ROC		M 61-70			2023.6.14	-	-	-	-	-	-	-	-					
Independent Director	ROC	Lin, Lung-Ta	M 71-80	2023.6.14	3	2017.6.22	-	-	-	-	-	-	-	-	Master, graduate school of China Medical University	Remuneration member of Choice Development, Inc.	No	No	No
Independent Director	ROC	Tsai, Ming-Fang	M 41-50	2023.6.14	3	2021.7.29	-	-	-	-	-	-	-	-	Ph.D., Graduate Institute of Industrial Economics, National Central University	Note 4	No	No	No
Independent Director	ROC	Chung, Kung-Chao	M 61-70	2023.6.14	3	2023.6.14	-	-	-	-	-	-	-	-	Mei He Senior High School		No	No	No

Note: 1. Chairman of Yiyu Co., Ltd., Independent Director and member of Remuneration Committee of Senao Networks Inc., Independent Director and member of Remuneration Committee of Maywuf a Company Ltd., Director of Taiwan Microloops Corp., Supervisor of Teyu Co., Ltd., Director of Prospect Hospitality Co., Ltd., Director of TransGlobe Life Insurance Inc. and Ltd., Independent Director and member of Remuneration Committee of TCM BIOTECH INTERNATIONAL CORP.

2. Chairman of Choice Development, Inc, Chairman of Kuitinger Co., Ltd.

3. Independent Director and member of Remuneration Committee of TCM BIOTECH INTERNATIONAL CORP., Director of Airoha Technology Co., Ltd., Supervisor of TCX.

4. Independent Director of Taiwan Financial Holdings Co., Ltd., Independent Director of Bank of Taiwan, Independent Director of United Renewable Energy Co., Ltd., Director of Eminent II Venture Capital Corporation, Director of Grand Cathay Venture Capital Co.,Ltd., and director of CDIB Capital Global Opportunities Fund. L.P. and member of Remuneration Committee of Choice Development, Inc., Director of Star Engery Power Corporation.

#### Major Shareholders of Corporate Shareholders

March 31, 2025

Name of corporate	Major shareholders of the corporate shareholder		
Dehui Investment Co., Ltd.	Lin, Wen-Hui	50%	Peng, Teng-Te 50%
Solara Enterprises, Ltd.	Lin, Hsing-Kui Lin, Pei-Ying	33% 33%	Lin, Chien-Yi 34%
Wei Chen Investment Co., Ltd.	Lin, Wen-Hui	50%	Peng, Teng-Te 50%

## 1-2 Information on Directors (2)

### 1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chen, Hui-Yu	Experienced in business management. No matters occurred as subparagraphs, Article 30 of Company Act.	There is no the relationship of spouse or a relative within two degrees among directors	4
Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	Experienced in business management. No matters occurred as subparagraphs, Article 30 of Company Act.	There is no the relationship of spouse or a relative within two degrees among directors	0
Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	Professional printing experience. No matters occurred as subparagraphs, Article 30 of Company Act.	There is not the relationship of spouse or a relative within two degrees among directors	0
Kuo, Cheng-Hung, the representative of Wei Chen Investment Co., Ltd.	Professional printing experience. No matters occurred as subparagraphs, Article 30 of Company Act.	There is not the relationship of spouse or a relative within two degrees among directors	1
Independent Director Lin, Lung-Ta	Qualified as a university professor. Convenor of the Remuneration Committee of the Company. The convenor of the audit committee of the company. No matters occurred as subparagraphs, Article 30 of Company Act.	See the description on Independence of the board of directors	0
Independent Director Tsai, Ming-Fang	Qualified as a university professor. Engaged in accounting professional teaching and work practice. Member of the Remuneration Committee of the Company. No matters occurred as subparagraphs, Article 30 of Company Act.	See the description on Independence of the board of directors	3
Impendent Director Chung, Kung-Chao	Business experienced is satisfied for the company No matters occurred as subparagraphs, Article 30 of Company Act.	See the description on Independence of the board of directors	0

### 2. Diversity and Independence of the Board of Directors:

#### (1) Diversity policy of the board of directors:

In accordance with Article 2 of the "Diversity Policy for Board Members" established by the Company:

The Diversity Policy for Board Members shall be as follows:

- A. In order to achieve sustainable and balanced development and the increasing diversification of the Board level, the company will take into account the diversity of the Board's members when setting the Board's composition as follows.:
  - a. Basic requirements and values: Members of the Board shall be elected without discrimination on the grounds of sex, age, nationality or culture.
  - b. Professional knowledge and skills: The selection of members of the board of directors should try to recruit talents with different professional backgrounds (including but not limited to law, accounting, industry, finance, marketing or technology), professional skills and industry experience.
- B. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The board of directors shall possess the following abilities:
  - a. Ability to make operational judgments.
  - b. Ability to perform accounting and financial analysis.
  - c. Ability to conduct management administration.
  - d. Ability to conduct crisis management.
  - e. Knowledge of the industry.



- f. An international market perspective.
- g. Ability to lead.
- h. Ability to make policy decisions.

(2) Specific Management Objectives for Diversity of Board Members.:

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

The specific management objectives are as follows:

- A. The Company's Board of Directors also emphasizes gender equality among its members, and at least one female director should be included in the Board of Directors.
- B. The Company's Board of Directors emphasizes operational judgment, business management, and crisis management capabilities, and more than two-thirds of the Board of Directors should be capable of handling related core projects.
- C. Independent directors shall not serve more than three consecutive terms to maintain their independence.
- D. The number of directors who are employees of the Company, its parent, subsidiaries, or siblings should be less than one-third of the number of directors in order to achieve the purpose of substantive supervision.

(3) The current status of the diversity of the board members of the company:

On June 14, 2023, the Company's shareholders elected seven directors for the 17th term of the Board of Directors, four of whom are general directors who do not concurrently serve as employees, and three of whom are independent directors whose terms of office have not exceeded three years to ensure independence. The Company will plan for the nomination of candidates of diverse genders in the future, in order to comply with the scope of the Corporate Governance Blueprint Version 3.0.

The members of the Board of Directors are well-qualified in operation and management, and each of them has relevant professional backgrounds and possesses the necessary professional knowledge, skills and qualities to perform their duties. The Company has also continued to arrange continuing education courses for the members of the Board of Directors in order to strengthen the functions of the Board of Directors; at least one-third of the members of the Board of Directors possess the relevant abilities to perform their duties in the eight diversified core business areas, and more than 80% of the members of the Board of Directors possess the core capabilities of the Company's three major core business areas of business judgment, operation and management, and crisis management.

Name	Nationality	Gender	Positions held concurrently in the company	Age			Term of office	Core Abilities							
				~ 60	60~70	70 ~		Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Chen, Hui-Yu	Taiwan	M		✓				✓		✓	✓	✓	✓	✓	✓
Chang, Shih-Kui	Taiwan	M			✓			✓		✓	✓			✓	✓
Lin, Keng-Jan	Taiwan	M				✓		✓		✓	✓	✓	✓	✓	✓
Kuo, Cheng-Hung	Taiwan	M			✓			✓	✓	✓	✓			✓	✓
Lin, Lung-Ta	Taiwan	M				✓	3	✓		✓	✓	✓		✓	✓
Tsai, Ming-Fang	Taiwan	M		✓			2	✓	✓	✓	✓			✓	✓
Chung, Kung-Chao	Taiwan	M			✓		1	✓		✓	✓			✓	✓

Age of directors	Ratio
~ 60	29%
60 ~ 70	42%
70 ~	29%

Core abilities	Achievement rate
Ability to make operational judgments	100%
Ability to perform accounting and financial analysis	28.57%
Ability to conduct management administration	100%
Ability to conduct crisis management	100%
Knowledge of the industry	42.86%
An international market perspective	28.57%
Ability to lead	100%
Ability to make policy decisions	100%

(2) Independence of the board of directors:

- A. There are 3 independent directors in the company, it meets the require to appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors according to Article 14-2 of Securities es and Exchange Act, and without the relationship of spouse or a relative within two degrees among directors.
- B. Each independent director of the company may not have been or be any of the following:
  - a. An employee of the company or any of its affiliates.
  - b. A director or supervisor of the company or any of its affiliates.
  - c. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
  - d. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
  - e. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
  - f. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
  - g. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
  - h. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
  - i. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(2) General manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units:  
March 31, 2025

Job Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Job title	Name	Relationship
General Manager	ROC	Chen, Hung-Pin	M	2023.8.11	125,000	0.12%	0	0	0	0	Master degree of business management, National Taiwan University	Director of Choice Development, Inc. and CEO of Omni Media Int'l Inc.	-	-	-
Deputy General Manager	ROC	Huang, Shih-Hsuan Note 1	F	2025.1.1	21,000	0.020%	0	0	0	0	Master Dept. of Business Management, National Taipei University	Deputy General Manager of Omni Media Int'l Inc.	-	-	-
Assistant General Manager	ROC	Yang, Chia-Yu Note 2	F	110.03.01	0	0	0	0	0	0	Ginling Girls' High School	Nil	-	-	-
Manager	ROC	Lee, Chen-Hua	M	2022.03.16	0	0	0	0	0	0	Master Dept. of Business Management, National Taipei University	Deputy General Manager of Omni Media Int'l Inc.	-	-	-
Special Assistant	ROC	Chang, Chun-Hsiang Note 3	M	2023.08.01	5,000	0.005%	0	0	0	0	Dapt Life Application, FuRen Univ.	Special Assistant of Omni Media Int'l Inc.	-	-	-
Corporate Governance Officer	ROC	Chen, Yen-Hui	M	2023.05.10	38	0.00003%	0	0	0	0	Dept. of Law FuRen Univ.	Nil	-	-	-
Manager	ROC	Wang, Pei-Ling	F	2024.03.18	0	0	0	0	0	0	Master Dept. Int'l Business, Tamkang Univ.	Nil	-	-	-

Note 1: Promoted to Deputy General Manager on January 1, 2025.

Note 2: Quitted on February 17, 2025.

Note 3: Quitted on February 28, 2025.

(3) Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers

1. Remuneration to Ordinary Directors and Independent Directors

Unit: NT\$1,000

Job title	Name	Remuneration to directors				Sum of A+B+C+D and ratio to net income		Relevant Remuneration Received by PT employee						Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee other than subsidiaries or from the parent company (Note 11)
		Base compensation (A) (note 1)	Retirement pay and pension (B)	Director profit sharing compensation (C)	Expenses and perquisites (D)	The Company	All consolidated entities	Salary, rewards, and special disbursements (E)	Retirement pay & pension (F)	Employee profit-sharing compensation (G)						
										The Company		All consolidated entities		The Company		
Chairman	Chen, Hui-Yu	4,500	0	0	91	4,591 -33.13%	0	0	0	0	0	0	0	4,591 -33.13%	4,591 -33.13%	None
Director	Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	0	0	0	15	15 -0.11%	0	0	0	0	0	0	0	15 -0.11%	1,185 -8.55%	none
	Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	0	0	0	12	12 -0.09%	0	0	0	0	0	0	0	12 -0.09%	12 -0.09%	None
	Kuo, Cheng-Hung, The representative of Wei Chen Invest. Co., Ltd.	0	0	0	12	12 -0.09%	0	0	0	0	0	0	0	12 -0.09%	12 -0.09%	None
Independent Director	Lin, Lung-Ta	240	0	0	39	279 -2.01%	0	0	0	0	0	0	0	279 -2.01%	279 -2.01%	None
	Tsai, Ming-Fang	240	0	0	39	279 -2.01%	0	0	0	0	0	0	0	279 -2.01%	279 -2.01%	None
	Chung, Kung-Chad	240	0	0	9	249 -1.80%	0	0	0	0	0	0	0	249 -1.80%	249 -1.80%	None

Note: 1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:

The compensation and remuneration of the Company's independent directors are determined in accordance with the Company's Articles of Incorporation and are based on the value of their participation in and contribution to the Company's operations at a level not exceeding the maximum salary scale set forth in the Company's compensation plan.

2. The Company has established "the Board's Performance Evaluation Management System", which adopts two evaluation methods, namely "the Board members' self-evaluation" and "the designated responsible unit's evaluation", and at the end of each year, the designated responsible unit prepares the "Directors' and Supervisors' Evaluation Summary Sheet" based on the "Directors' and Supervisors' Self-Evaluation Questionnaire" collected. At the end of each year, the designated responsible unit prepares a "Directors' and Supervisors' Evaluation Summary Sheet" based on the "Directors' and Supervisors' Self-Evaluation Questionnaire" collected and the weighted scores set according to the implementation of the evaluation indicators are weighted and averaged to arrive at the scores, which are then submitted to the Board for reporting, and the effectiveness of the evaluation process is regularly reviewed by the Remuneration Committee.

3. 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): nil.

## Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The company	All consolidated entities	The company	All consolidated entities
Less than NT\$1,000,000	Chang, Shih-Kui, Lin, Keng-Jan, Lin, Lung-Ta, Tsai, Ming-Fang, Kuo, Cheng-Hung Chung, Kung-Chao	Chang, Shih-Kui, Lin, Keng-Jan, Lin, Lung-Ta, Tsai, Ming-Fang, Kuo, Cheng-Hung Chung, Kung-Chao	Chang, Shih-Kui, Lin, Keng-Jan, Lin, Lung-Ta, Tsai, Ming-Fang, Kuo, Cheng-Hung Chung, Kung-Chao	Lin, Keng-Jan, Lin, Lung-Ta, Tsai, Ming-Fang, Kuo, Cheng-Hung Chung, Kung-Chao
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)				Chang, Shih-Kui,
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)				
NT\$3,500,000 (incl.)~NT\$10,000,000 (excl.)	Chen, Hui-Yu	Chen, Hui-Yu	Chen, Hui-Yu	Chen, Hui-Yu
NT\$10,000,000 (incl.) ~NT\$15,000,000 (excl.)				
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)				
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)				
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)				
NT\$100,000,000 or above				
Total amount	7 persons	7 persons	7 persons	7 persons

## 2. Remuneration to General Manager(s) and Assistant General Manager(s)

Unit: NT\$1,000

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Chen, Hung-Pin	840	3,000	52	160	219	1,972	0	0	0	0	1,111-8.02%	5,132-37.03%	No

### 3. Remuneration for the top five executives

Unit: NT\$1,000

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from invested enterprises other than subsidiaries or from the parent company
		The company	All consolidated entities	The company	All consolidated entities	The company	All consolidated entities	The company		All consolidated entities		The company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Chen, Hung-Pin	840	3,000	52	160	219	1,972	0	0	0	0	1,111 -8.02%	5,132 -37.03%	No
Deputy General Manager	Huang, Shih-Hsuan Note 1	941	1,901	58	116	714	933	0	0	0	0	1,713 -12.36%	2,950 -21.29%	No
Manager	Lee, Chen-Hua	1,004	1,267	60	60	165	180	0	0	0	0	1,229 -8.87%	1,507 -10.88%	No
Assistant Manager	Yang, Chia-Yu Note 2	1,200	1,200	0	0	275	275	0	0	0	0	1,475 -10.64%	1,475 -10.64%	No
Speical Assistant	Chang, Chun-Hsiang Note 3	180	1,200	0	63	110	170	0	0	0	0	290 -2.09%	1,433 -10.34%	No

Note 1: Promotted to Deputy General Manager on January 1, 2025.

Note 2: Quitted on February 17, 2025.

Note 3: Quitted on February 28, 2025.

### 4. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers: None

### 5. 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.

The ratio of the total remuneration paid by the company and all companies in the consolidated statement to the company's directors, general manager and deputy general manager to the after-tax net profit (loss)	
FY2024	FY2023
-84.70%	-11.90%

- According to the regulations set forth in the Articles of Incorporation, the Company may remunerate the directors of this Company for the performance of their duties for this Company, irrespective of the Company's profit or loss, at a rate not exceeding the highest salary level set out in this Company's approved salary plan, as agreed by the Board, based on the value of their participation in and contribution to the Company's operations.
- The total amount of remuneration paid to the Company's directors, supervisors, general manager and deputy general manager in fiscal 2024 was not significantly different from that in fiscal 2023. As a results of the defeated suit loss of \$160,521 (thousand) in fiscal 2023, therefore, the proportion of net profit after tax is low.
- The remuneration of the directors and managers of the Company is governed by the Company's Articles of Incorporation and the "Regulations Governing the Evaluation of the Performance of Directors, Supervisors and Managers", which are reviewed by the Remuneration Committee and submitted to the Board for discussion

### 3. State of the company's implementation of corporate governance

#### (1) State of operations of the board of directors

The number of board meetings held in FY 2024 and FY 2025 was 4 times and once respectively, and the attendance by the directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Chairman	Chen, Hui-Yu	3	2	60%	Should have attended 5 times
Director	the representative of Dehui Investment Co., Ltd. Chang, Shih-Kui	5	0	100%	Should have attended 5 times
Director	the representative of Solara Enterprises, Ltd. Lin, Keng-Jan	3	2	60%	Should have attended 5 times
Director	The representative of Wen Chen Investment Co., Ltd. Kuo, Cheng-Hung	4	1	80%	Should have attended 5 times
Independent Director	Lin, Lung-Ta	5	0	100%	Should have attended 5 times
Independent Director	Tsai, Ming-Fang	5	0	100%	Should have attended 5 times
Independent Director	Chun, g Kung-Chao	4	1	80%	Should have attended 5 times

Other information required to be disclosed:

1. 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:

(1) Any matter under Article 14-3 of the Securities and Exchange Act: In 2024 and as of the date of publication of the annual report, the content of the Board's resolutions is as follows from 34 page to 35 page of the annual report, and all independent directors have no objection to the items listed in Article 14-3 of the Securities and Exchange Act.

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: Nil

2. The status of implementation of refusals of directors with respect to any motions with which they may have a conflict of interest:

(1) Items discussed at the 17<sup>th</sup> meeting of the 17th Board of Directors dated November 17, 2024 "The proposal for the fixed monthly remuneration of the directors of the Company for 2024": Director Chen Hui-Yu, Independent Director Lin Lung-Ta, Independent Director Fang Kai-Liang, and Independent Director Tsai Ming-Fang all did not participate in discussions and voting in relation to their personal interests due to conflicts of interests. In addition, the Chen Hui-Yu Director's portion of the case was also acted on behalf of the Chairman by the Chang Shih-Kui Director. The proposal was approved by the Chairman in consultation with the remaining Directors present.

(2) Items discussed at the 8<sup>th</sup> meeting of the 17th Board of Directors dated March 12, 2025 "The proposal for Release the Prohibition on Directors from Participation in Competitive Business ": Director Chen Hui-Yu was absent from the meeting, he appointed Director Chang, Shih-Kui to attend the meeting on his behalf and abstain from participating in the discussion and voting in accordance with the law Independent Director Tsai Ming-Fang did not participate in discussions and voting in relation to his personal interests due to conflicts of interests. The proposal was approved by the Chairman in consultation with the remaining Directors present.

#### 3. Implementation of Evaluations of the Board of Directors

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
performed once per year.	Form Oct. 1, 2023 to Sept. 30, 2024	Including performance evaluation of the Board and individual directors and the functional committees	the Board internal self-assessment and board members & the functional committees self-assessment	the Board performance evaluation and Board Members & the functional committees Performance Evaluation

The company's board has passed the "Board Performance Evaluation Method" on November 8, 2018 to give full play to the self-motivation of the Board members and improve the function of the Board operation.



Evaluation of the performance of the board should include at least the following:

degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.

Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.

Evaluation results submitted to the Board on November 7, 2024: The Company's performance of the Board is in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

4. 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, etc.) and the measures taken toward achievement thereof
  - (1) Establish an audit committee.
  - (2) Strengthen the content of the corporate governance section of the website.
  - (3) "Whistleblowing System", "Accountants Independence Assessment Method" and "The Board Diversity Policy".
  - (4) Evaluate the independence and suitability of certified public accountants, the Board's performance appraisal system for directors, and directors' liability insurance.

#### **Evaluation of the independence of attesting CPAs for 2024**

The Company designated CPAs Hsin, Yu-Cheng and Yeh, Shu-Chuan of Deloitte Taiwan to audit and attest the financial statements for 2024. The Company evaluated the independence of the two CPAs against items formulated according to Article 47 of the Certified Public Accountant Act and Statement No.10 "Integrity, Fairness, Objectivity, and Independence" of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and did not find them to violate any independence criteria and thus should be qualified. The evaluation result was reported to the 8<sup>th</sup> Board of Directors meeting of 17<sup>th</sup> term dated March 12, 2025 for reference (For the commissioned CPAs assessment form, see the attachment).

#### **CPA's Independence Evaluation Standards:**

Evaluation item	Evaluation result	Whether it meets independence
1. Whether the CPA has a direct or significant indirect financial interest in the Company	No.	Yes.
2. Whether the CPA has a financial guarantee with the Company or the Company's directors	No.	Yes.
3. Whether the CPA has a close business relationship and potential employment relationship with the Company	No.	Yes.
4. Whether the CPA and its audit team members have served as directors, managers or positions that have a significant impact on the audit work in the Company at present or in the last two years	No.	Yes.
5. Whether the CPA has provided non-audit services to the Company that may directly affect the audit work	No.	Yes.
6. Whether CPA has brokered shares or other securities issued by the Company	No.	Yes.
7. Whether the CPA has acted as an advocate for the Company or mediated conflicts with other third parties on behalf of the Company	No.	Yes.
8. Whether the CPA has a family relationship with the company's directors, managers, or personnel who have a significant impact on the audit case	No.	Yes.

#### **Explanation:**

1. A TSEC/GTSM listed company shall select a professional, responsible and independent CPA and evaluate the independence of the auditor engaged by the company regularly and no less frequently than once annually according to the Article 29 of Corporate Governance Best Practice Principles for TWSE/GTSM Listed Company.
2. After investigation by the company, it was confirmed that the CPAs did not hold any shares of the company and did not hold any concurrent positions in the company. After referring to the contents of the "Audit Quality Indicator (AQI) Guidelines", it was considered that the two CPAs Hsin, Yu-Cheng and Yeh, Shu-Chuan, should be suitable for the position.
3. This proposal was discussed and approved by the Audit Committee on March 12, 2025, and submitted to the Board of Directors for discussion on March 12, 2025. It has also passed the independence and suitability assessments of CPAs Hsin, Yu-Cheng and Yeh, Shu-Chuan.

(2) State of operations of the audit committee or the state of participation in board meetings by the supervisors:

1. Composition of the Audit Committee

Since 15 June 2020, the Company's Audit Committee has been composed of three independent directors in accordance with Article 14-4 of the Securities and Exchange Act.

2. Terms of Reference of the Audit Committee

- A. Fair presentation of the company's financial statements.
- B. Appointment (dismissal) and independence and performance of certified accountants.
- C. Effective implementation of the company's internal control.
- D. Compliance of the Company with relevant laws and regulations..
- E. Management and control of the company's existing or potential risks.

3. Operation of the Audit Committee:

The number of audit committee meetings held in the most recent fiscal year was: 5 times, the attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Independent director	Lin, Lung-Ta	5	0	100%	Should have attended 5 times
Independent director	Tsai, Ming-Fang	5	0	100%	Should have attended 5 times
Independent director	Chung, Kung-Chao	4	1	80%	Should have attended 5 times

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 content of any dissenting or qualified opinion or significant recommendation of the independent directors, 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: Details are shown in the table below

Audit committee Term and date	Proposal content and follow-up processing	Matters listed in 14-5 of the Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee but have been agreed by more than 2/3 of all directors
The 3 <sup>rd</sup> Meeting of the 2 <sup>th</sup> Term March 13, 2024	1. The company's 2023 annual business report	✓	
	2. The company's 2023 financial statements and consolidated financial statements and earnings distribution.	✓	
	3. 2023 Annual Internal Control Effectiveness Assessment and Internal Control Statement.	✓	
	4. Proposal of Release the Prohibition on Directors and their representatives from Participation in Competitive Business	✓	
	5. The Company evaluates the independence and suitability of the CPA	✓	
	6. It is proposed to pre-approve the certified accountants, their firms and their affiliated companies to provide non-assurance services to the company and its subsidiaries.	✓	
	7. The approval case for the appointed accountant's audit fee and tax compliance audit fees	✓	
	8. Developed the company's "Operational Procedures for Preparation and Verification of Sustainability Reports"	✓	
	Audit Committee's resolution results: Approved by all members present and submitted to the Board. for discussion.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		
The 4 <sup>th</sup> Meeting of the 2 <sup>th</sup> Term May 8, 2024	1. The company's 1 <sup>st</sup> quarter of 2024 consolidated financial statements	✓	
	2. Amendments of “ Sale and receipt cycle:, “ Purchase and payment cycle” and “ Production cycle”	✓	
	Audit Committee's resolution results: Approved by all members present and submitted to the Board. for discussion.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		
The 5 <sup>th</sup> Meeting of the 2 <sup>th</sup> Term Augsut 9, 2024	1. The company's 2 <sup>nd</sup> quarter of 2024 consolidated financial statements	✓	
	3. Amendments of “Production cycle”	✓	
	3. Change of accountiing firm and certified accountants	✓	
	4. The approval case for the appointed accountant's audit fee and tax compliance audit fees	✓	

	Audit Committee's resolution results: Approved by all members present and submitted to the Board. for discussion.		
	The company's handling of the Audit Committee's opinions: approved by all directors		
The 6 <sup>th</sup> Meeting of the 2 <sup>th</sup> Term November 7, 2024	1. The company's 3 <sup>rd</sup> quarter of 2024 consolidated financial statements	✓	
	2. The company's "2025 Audit Plan" case.	✓	
	3. To formulate the company's "Sustainable Development Group Organization Charter"	✓	
	4. To formulate the company's "Sustainable Information Management Operations"	✓	
	Audit Committee's resolution results: Approved by all members present and submitted to the Board. for discussion.		
	The company's handling of the Audit Committee's opinions: approved by all directors		
The 7 <sup>th</sup> Meeting of the 2 <sup>th</sup> Term March 12, 2025	1. The company's 2024 financial statements and consolidated financial statements.	✓	
	2. The Proposal for 2024 Deficit Compensation.	✓	
	3. Proposal of 2024 annual internal control effectiveness assessment and internal control statement.	✓	
	4. Release the Prohibition on Directors from Participation in Competitive Business.	✓	
	5. The Company regular evaluates the independence and suitability of the CPA	✓	
	6. It is proposed to pre-approve the certified accountants, their firms and their affiliated companies to provide non-assurance services to the company and its subsidiaries.	✓	
	7. The approval case for the appointed accountant's audit fee and tax compliance audit fees	✓	
	Audit Committee's resolution results: Approved by all members present and submitted to the Board. for discussion.		
	The company's handling of the Audit Committee's opinions: approved by all directors present.		

2. In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: Nil

II. Implementation of refusals 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 refusal, and whether and how the independent director voted:

Items discussed at the 7<sup>th</sup> meeting of the 2<sup>nd</sup> term dated March 12, 2025 "The proposal for Release the Prohibition on Directors from Participation in Competitive Business ": the lawIndependent Director Tsai Ming-Fang did not participate in discussions and voting in relation to his personal interests due to conflicts of interests. The proposal was approved by the Chairman in consultation with the remaining Directors present.

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.)

A. The communication methods among independent directors with the internal audit director and the certified public accountant: The company's independent directors have direct communication channels with the internal audit supervisor and certified accountants; in accordance with the regulations of the competent authority, they regularly check the company's financial and business conditions, and communicate directly with the management unit and governance unit.

(1) In addition to the monthly audit reports submitted by the Audit Office to the Independent

Directors for review, the Company's audit supervisor also regularly conducts internal audit reports in the Audit Committee on a quarterly basis, and communicates adequately on the execution of audit operations, the tracking of audit deficiencies and their effectiveness.

- (2) Each audit report is required to track internal control deficiencies and irregularities, and a tracking report is prepared and submitted to the independent directors on a quarterly basis.
- (3) Independent directors, internal audit supervisors and certified accountants hold face-to-face communication meetings at least once a year, and the internal audit supervisor reports on the implementation of the audit plan for the current year, whether major deficiencies are found, and subsequent improvement measures; independent directors and certified accountants provide suggestions or improvement directions for the content of the report, conduct sufficient communication and make meeting minutes; Certified accountants also reported the results of the audit or review of the financial statements of the company and its subsidiaries during the meeting, and fully communicated whether there were major adjusting entries or whether legal amendments affected the accounting.
- (4) If independent directors, internal audit supervisors or certified accountants encounter emergencies, major abnormalities or other situations that require immediate communication, they can communicate in real time through telephone, email or other communication software, and can call meetings at any time.

B. The communication between independent directors with the internal audit director, the independent directors no opinion.

The summary of important communication matters in 2024 and 2025:

Audit committee	Important communication matters	Communication situation and results
The 3 <sup>rd</sup> Meeting of the 2 <sup>nd</sup> Term March 13, 2024	1. Audit report from October 2023 to February 2024.  2. 2023 annual internal control effectiveness assessment and internal control statement.  3. Developed the company's "Operational Procedures for Preparation and Verification of Sustainability Reports".	1. It has been got to know.  2. It was considered and approved and submitted to the Board for resolution.  3. It was considered and approved and submitted to the Board for resolution.
The 4 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term May 8, 2024	1. Audit report in March 2024.  2. Amendments of "Sale and receipt cycle", "Purchase and payment cycle" and "Production cycle"	1. It has been got to know.  2. It was considered and approved and submitted to the Board for resolution.
The 5 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term August 9, 2024	1. Audit report from April ~ May 2024.  2. Amendments of "Production cycle"	1. It has been got to know.  2. It was considered and approved and submitted to the Board for resolution.
The 6 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term November 7, 2024	1. Audit report from June ~ August, 2024.  2. The company's "2025 Audit Plan"  3. To formulate the company's "Sustainable Development Group Organization Charter"  4. To formulate the company's "Sustainable Information Management Operations"	1. It has been got to know.  2. It was considered and approved and submitted to the Board for resolution.  3. It was considered and approved and submitted to the Board for resolution.  4. It was considered and approved and submitted to the Board for resolution.
The 7 <sup>th</sup> Meeting of the 2 <sup>nd</sup> Term March 12, 2025	1. Audit report from Sept. ~ Dec. 2024.  2. 2024 annual internal control effectiveness assessment and internal control statement.	1. It has been got to know  2. It was considered and approved and submitted to the Board for resolution.

C. The communication between independent directors with the certified public accountant, the independent directors no opinion.

The summary of important communication matters in 2024 and 2025:

Date	Communication matters	Attended person(s)
March 13, 2024	1. The company's 2023 financial statements 2. Reporting in accordance with SAS No. 58 "Communicating Key Audit Matters in the Independent Auditor's Report".	Independent directors: Lin, Lung-Ta, Tsai, Ming-Fang and Chung, Kung-Chao and CPA of PwC Taiwan: Liao, Fu-Ming
May 8, 2024	1. The Company's consolidated financial statements report for the 1 <sup>st</sup> quarter of 2024. 2. Reporting in accordance with SAS No. 58 "Communicating Key Audit Matters in the Independent Auditor's Report".	Independent directors: Lin, Lung-Ta, Tsai, Ming-Fang and Chung, Kung-Chao and CPA of PwC Taiwan: Lin, Yi-Fan
August 9, 2024	1 The Company's consolidated financial statements report for the 2 <sup>nd</sup> quarter of 2024. 2. Reporting in accordance with SAS No. 58 "Communicating Key Audit Matters in the Independent Auditor's Report".	Independent directors: Lin, Lung-Ta, Tsai, Ming-Fang and Chung, Kung-Chao and CPA of PwC Taiwan: Lin, Yi-Fan
November 7, 2024	1. The Company's consolidated financial statements report for the 3 <sup>rd</sup> quarter of 2024. 2. Reporting in accordance with SAS No. 58 "Communicating Key Audit Matters in the Independent Auditor's Report".	Independent directors: Lin, Lung-Ta, Tsai, Ming-Fang and Chung, Kung-Chao and CPAs of Deloitte Taiwan: Hsin, Yu-Cheng and Yeh, Shu-Chuan
March 12, 2025	1. The company's 2024 financial statements 2. Reporting in accordance with SAS No. 58 "Communicating Key Audit Matters in the Independent Auditor's Report".	Independent directors: Lin, Lung-Ta, Tsai, Ming-Fang and Chung, Kung-Chao and CPA of Deloitte Taiwan: Hsin, Yu-Cheng

D. The communication methods among independent directors with the internal audit director and the certified public accountant, the independent directors no opinion.

The summary of important communication matters in 2024.

Date	Communication matters	Communication results
The 2 <sup>nd</sup> Meeting of the 2 <sup>nd</sup> Term (November 7, 2024)	1. Description of the internal audit plan for FY2025.  2. Progress of the internal audit in FY2024.  3. Presentation of the results of the internal audit in FY2024.  4. Communication and discussion on the results of the review of the consolidated financial statements for the third quarter of 2024.  5. Communication and discussion before the audit on the audit scope, audit method, and key audit items of the 2024 non-consolidated and consolidated financial reports.  6. The Company's progress in establishing an internal control system for "sustainable information management".	1. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.  2. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.  3. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.  4. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.  5. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.  6. It has been got to know after the internal audit supervisor communicated with the independent directors, certified public accountant present.

(3) State of the company's implementation of corporate governance, any deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has formulated the "Corporate Governance Best-Practice Principles" and disclosed it on the Market Observation Post System (MOPS) .	No significant differences.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		The Company has a dedicated person responsible for dealing with shareholders' issues, which is assisted by stock affairs agent Grand Fortune Securities Co., Ltd.	No significant differences.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		The Company has a dedicated staff to liaise closely with the stock affairs agent; and to report monthly information on changes in the Company's shareholdings of insiders and major shareholders.	No significant differences.
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		The Company and its affiliated companies operate independently and are handled in accordance with "Related Party Transaction Procedures"; "Subsidiary Supervision Measures" are also stipulated as a risk control mechanism for subsidiaries.	No significant differences.
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The Company has instituted the "Administrative Measures for Preventing Insider Trading", which prohibits company insiders from using undisclosed information in the market to buy and sell securities.	No significant differences.
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		Article 19 of the Company's "Corporate Governance Best-Practice Principles" is to formulate the overall capabilities of the Board and the policy on the diversity of the Board members. The company has 7 directors, all of whom are males of this nationality, including 1 with printing professional background, 3 with management background, and 3 with cultural and accounting academic background. The above 7 directors are all have the ability and professional knowledge required to perform the duties.	No significant differences.
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		✓	In the future, it will be handled according to the company's development needs and legal regulations.	Depending on the future operating conditions and scale settings.
(3) Has the Company established rules and methodology for Evaluation item Implementation status (Note ) Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons Yes No Summary description evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		The Company has passed the "Board Performance Evaluation Method" by the Board on November 18, 2018. The 2024 performance evaluation of directors and supervisors has been reported to the Board on November 7, 2024. The overall operation is good.	No significant differences.
(4) Does the Company regularly evaluate its external auditors' independence?	✓		The Company evaluates the independence and suitability of the CPA on an annual basis and obtains a statement of independence from the CPA, which is reviewed and approved by the Board (March 12, 2025). According to the Company's evaluation, the two CPAs of Deloitte Taiwan, Hsin, Yu-Cheng and Yeh, Shu-Chuan, both meet the Company's Independence Evaluation Standards and are qualified to serve as the Company's CPAs. (Note 1)	No significant differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		The company has set up and appointed a corporate governance manager with the approval of the board of directors on May 10, 2023, who are responsible for providing the information required by the director and supervisor to execute the business, handling related matters of the Board and shareholders' meeting, handling company registration and change registration, making the Board and shareholders' meeting minutes and other affairs.	No significant differences.
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company has a spokesman system as a channel to express opinions; the Company also sets up a special section for stakeholders, with special personnel responsible for appropriately responding to the concerns of stakeholders for different subjects.	No significant differences.
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed the stock affairs agent, Grand Fortune Securities Co., Ltd. to handle the affairs of the shareholders meeting.	No significant differences.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company has set up a Chinese and English website ( <a href="http://www.choiceprintgroup.com">http://www.choiceprintgroup.com</a> ) and linked it with the MOPS of the Taiwan Stock Exchange to disclose relevant information.	No significant differences.
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		The Company establishes a spokesperson system in accordance with the regulations. In addition, the Company designates dedicated personnel to collect information about the Company and, depending on different business types, assigns individual dedicated personnel to be responsible for the disclosure of material information about the Company and to input MOPS for announcement on a timely basis.	No significant differences.
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓		The company has completed the first, second and third quarter financial reports and the announcement and filing of operating conditions for each month in accordance with the regulations of the competent authority before the deadline. However, it has not yet filed the annual financial report within two months after the end of the year.	The company will communicate with the certified accountant with the goal of declaring financial reports in advance.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> <li>In order to ensure the overall safety of the company and the physical and mental health of its employees, the Company has established a safety and health system in accordance with labor safety and health laws and regulations, and plans and supervises the implementation of overall safety operations; it has promulgated the "Sexual Harassment Prevention Act" to seek respect and harmony between the sexes.</li> <li>The Company has established the Employee Welfare Committee to allocate employee welfare funds in accordance with the law and promote various welfare measures.</li> <li>The Company maintains good relationships with suppliers and stakeholders based on the concept of co-prosperity and co-existence, and provides effective communication channels.</li> <li>The Company is required by law to disclose corporate information to protect the basic rights of investors and to fulfill its responsibilities to shareholders.</li> <li>The Company's orders are all contracted with the customers, specifying the rights and obligations of both parties. The Company conducts annual customer satisfaction surveys to understand</li> </ol>	No significant differences.



Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>customers' opinions on the Company's product quality, delivery, and after-sales service, analyzes problems and tracks improvements to implement customer policies.</p> <p>6. The Company operates under the principle of prudent management and does not engage in high-risk, high-leverage investment transactions.</p> <p>7. The Company has purchased liability insurance for directors and supervisors with effect.</p> <p>8. The Company's directors' continuing education is disclosed in the "MOPS Corporate Governance Zone" (Company Code 9929).  <a href="http://mops.twse.com.tw/mops/web/t93sc03_1">http://mops.twse.com.tw/mops/web/t93sc03_1</a></p>	
<p>9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)  As for the Company's improvement or priority improvement countermeasures for the issues that did not score in the 10th Corporate Governance Evaluation, please refer to the following:</p> <p>1.15 Does the company formulate and disclose on its website the internal regulations prohibiting directors or employees and other insiders from using undisclosed information in the market to buy and sell securities, including (but not limited to) directors not being allowed to trade their stocks during the 30-day closed period before the announcement of the annual financial report and the 15-day closed period before the announcement of the quarterly financial report, and explain the implementation status?  <b>→ The company is formulating relevant regulations.</b></p> <p>2.6 Does the company's board of directors include at least one female director? (If each gender of the company's directors reaches one-third or more of the board seats, an additional point will be added to the total score.)  <b>→ The company plans to nominate one female director when the board of directors is re-elected in 2026.</b></p> <p>2.14 Does the company establish functional committees other than statutory ones, such as a nomination committee, risk management committee, or sustainable development committee, with no less than three members, more than half of the members being independent directors, and at least one member having the professional ability required by the committee, and disclose their composition, responsibilities, and operation?  <b>→ The company plans to set up a Sustainable Development Committee.</b></p> <p>2.25 Have all of the company's independent directors completed their continuing education in accordance with the number of hours set forth in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies?" (If all directors complete the required training, an additional point will be added to the total score.)  <b>→ The Company has increased and arranged advanced education hours for directors since the first quarter.</b></p> <p>3.14 Does the annual report disclose the link between the performance evaluation results of directors' and managers' and their remuneration?  <b>→ The company will formulate relevant plans.</b></p> <p>3.18 Does the company have an English-language corporate website that contains financial, business and corporate governance relevant information?  <b>→ The company's English official website has been revised.</b></p> <p>4.25 Does the company disclose its annual greenhouse gas emissions for the past two years?  <b>→ The company has been conducting a greenhouse gas inventory since January 2025.</b></p>				

Note 1: CPA's Independence Evaluation Standards:

Evaluation item	Evaluation result	Whether it meets independence
1. Whether the CPA has a direct or significant indirect financial interest in the Company	No.	Yes.
2. Whether the CPA has a financial guarantee with the Company or the Company's directors	No.	Yes.
3. Whether the CPA has a close business relationship and potential employment relationship with the Company	No.	Yes.
4. Whether the CPA and its audit team members have served as directors, managers or positions that have a significant impact on the audit work in the Company at present or in the last two years	No.	Yes.

5. Whether the CPA has provided non-audit services to the Company that may directly affect the audit work	No.	Yes.
6. Whether CPA has brokered shares or other securities issued by the Company	No.	Yes.
7. Whether the CPA has acted as an advocate for the Company or mediated conflicts with other third parties on behalf of the Company	No.	Yes.
8. Whether the CPA has a family relationship with the company's directors, managers, or personnel who have a significant impact on the audit case	No.	Yes.

#### (4) Composition and operation of the remuneration committee of the company

##### I. Information on Remuneration Committee Members

Capacity	Qualifications Name	Professional qualifications and experience (note1)	Independence analysis (Note 2)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convenor)	Lin, Lung-Ta	Used to be a professor in the Department of Painting & Calligraphy at National Taiwan University of Arts. With the experience required in the Company's business	Qualified for independence	0
Independent Director	Tsai, Ming-Fang	Independent director of First Life Insurance Co.,Ltd. With the work experience required in business, finance, accounting for the Company's business.	Qualified for independence	0
Member	Shen, Ching-Mao	Independent director and remuneration committee member of Shihlin Development Co. Ltd. With the work experience required in business, finance, accounting for the Company's business.	Qualified for independence	1

Note: 1. The professional qualifications and experience, and the status of independence of each independent director, please refer to page 9 in this report.

2. Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years

##### II. Responsibility and Operation of the Remuneration Committee

###### i. The Company's remuneration committee has a total of 3 members.

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors, supervisors, and managerial officers of this Corporation; its meeting shall be held at least twice a year and as often as necessary, to submit recommendations to the board of directors for its reference in decision making.

Scope of duties:

- Establishing and periodically reviewing the performance assessment standards, and the policies, systems, standards, and structure for the compensation.
- Periodically assessing and setting the amounts of compensation for the directors and managerial officers.

The Committee shall perform the duties under the preceding paragraph in accordance with the following standards:

- a. Salary management shall be consistent with the Company's compensation philosophy.
  - b. The performance evaluation and compensation of directors and managers shall be made with reference to the usual level of compensation in the industry, taking into account the reasonableness of the relationship between individual performance and the Company's operating performance and future risks.
  - c. Directors and managers should not be induced to engage in behavior that exceeds the Company's risk appetite in pursuit of compensation.
  - d. The percentage of bonuses and the timing of partial change of salary compensation for short-term performance of directors and senior managers shall be determined by taking into account the characteristics of the industry and the nature of the Company's business.
  - e. Members of the Committee shall avoid conflict of interest in their personal compensation decisions and shall not participate in discussions and voting.
- ii. The term of the current members is from August 10, 2023 to June 13, 2026.

The number of remuneration committee meetings held in 2024 and the date of this annual report printed was: 3 times. The attendance by the members was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Convenor	Lin, Lung-Ta	3	0	100%	Should have attended 3 times
Member	Tsai, Ming-Fang	3	0	100%	Should have attended 3 times
Member	Shen, Ching-Mao	3	0	100%	Should have attended 3 times

Other information required to be disclosed

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): Nil
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion.: Resolution of the 3rd meeting of the 5th term on August 9, 2024 on the proposal to distribute performance bonuses to associate level and above of the company: The part about the distribution of business performance bonus needs to be revised before being brought to this committee for discussion.

iii. Important resolutions of the Remuneration Committee in 2024 and as of the publication date of the annual report:

Remuneration Committee	Proposal content and follow-up processing	Resolution result	The company's handling of the Remuneration Committee's comments
The 2 <sup>nd</sup> Meeting of the 5 <sup>th</sup> Term March 13, 2024	<ol style="list-style-type: none"> <li>1. Changes in the monthly fixed salary remuneration of the company's accounting supervisor and associate level or above personnel.</li> <li>2. Amendment to the company's "Business Performance Bonus Measures".</li> <li>3. The company's "Administrative Measures for the Payment of Special Performance Bonuses" were finalized.</li> </ol>	<ol style="list-style-type: none"> <li>1. the chairman in consultation with all members present and submitted to the board of directors for resolution.</li> <li>2. the chairman in consultation with all members present and submitted to the board of directors for resolution.</li> <li>3. the chairman in consultation with all members present and submitted to the board of directors for resolution.</li> </ol>	<ol style="list-style-type: none"> <li>1. Resolution: Approved by the Chairman with the consent of all Directors present.</li> <li>2. Resolution: Approved by the Chairman with the consent of all Directors present.</li> <li>3. Resolution: Approved by the Chairman with the consent of all Directors present.</li> </ol>
The 3 <sup>rd</sup> Meeting of the 5 <sup>th</sup> Term August 9, 2024	<ol style="list-style-type: none"> <li>1. The proposal regarding to "Bonus payment for accounting supervisors and associate level and above".</li> </ol>	<ol style="list-style-type: none"> <li>1. Special performance bonus payment: the chairman in consultation with all members present and submitted to the board of directors for resolution. However, the performance bonus distribution part needs to be revised before being brought to this committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Resolution: Approved by the Chairman with the consent of all Directors present.</li> </ol>

Remuneration Committee	Proposal content and follow-up processing	Resolution result	The company's handling of the Remuneration Committee's comments
		for discussion.	
The 5 <sup>th</sup> Meeting of the 5 <sup>th</sup> Term November 7, 2024	1. The proposal to “distribute performance bonuses to associate level and above”; 2. Monthly remuneration for directors and managers for the year 2024. 3. Approval of year-end bonuses for directors and managers for the year 2024. 4. The appointment of Deputy general manager of the company.	1. the chairman in consultation with all members present and submitted to the board of directors for resolution. 2. the chairman in consultation with all members present and submitted to the board of directors for resolution. 3. the chairman in consultation with all members present and submitted to the board of directors for resolution. 4. the chairman in consultation with all members present and submitted to the board of directors for resolution.	1. Resolution: Approved by the Chairman with the consent of all Directors present. 2. Resolution: Approved by the Chairman with the consent of all Directors present. 3. Resolution: Approved by the Chairman with the consent of all Directors present. 4. Resolution: Approved by the Chairman with the consent of all Directors present.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. 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?		✓	A task force has been established and is currently under preparation.	In preparation.
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		1. The Company has obtained ISO 9001 quality management system, ISO14001 environmental management system, FSC forest environmental protection paper and medical mask GMP, ISO13485 and other certifications. In 2020, the head office added a second-level occupational safety and health business supervisor according to law. 2. For the sake of information security and confidential information protection, the Company has built firewall, security equipment, anti-virus software and other security related protective measures. Avoid external attacks such as malicious hackers, computer viruses and extortion mails, which may cause financial loss or affect operation; In the first quarter of 2022, the server replacement and related software updates have been completed to maintain the normal operation of related systems. 3. The factory and the office also implement relevant epidemic prevention measures in accordance with the law, and hold regular fire drills to effectively prevent fires and minimize damage, so as not to be affected by external factors that may affect the company's operations.	No significant differences.
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?		✓	Validity period of ISO14001 certification: 2024/8/12~2027/8/11 ° Validity period of FSC certification: 2021/5/23~2026/5/22 °	No significant differences.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		The bulk waste paper generated by the company's various processes is aligned with the practices of resource recycling and trading. Additionally, we strictly implement policies on garbage sorting and waste reduction, thoroughly enforcing resource recycling and reuse to enhance efficiency and reduce the generation of waste.	No significant differences.
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		To reduce the Volatile Organic Compounds (VOC) generated during production, in addition to minimizing the use of various solvents, we have specially acquired air pollution control equipment (RTO: Regenerative Thermal Oxidizer ). This equipment effectively eliminates 95% to 99% of volatile organic solvents (VOCs) in organic waste gases, significantly lowering exhaust emissions.	No significant differences.
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?		✓	The company has been conducting a greenhouse gas inventory since January 2025	No significant differences.
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Company's personnel practices comply with the Labor Standards Act and other relevant laws and regulations to protect the legal rights and interests of employees, and respect internationally recognized basic labor human rights principles, including the prohibition of child labor and the elimination of employment discrimination, and the implementation of equal pay, employment conditions, training and promotion opportunities.	No significant differences.
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		1. The Company's salary and leave system is regulated in the "Employee Work Rules" and approved by the competent authorities. 2. The Company has established the "Employee Welfare Committee" in accordance with the law to implement the welfare policy for employees. 3. The Company has also established "Labor-Management Meeting" and "Supervisory Committee of Business Entities' Labor Retirement Reserve" in accordance with the law, in order to seek labor-management harmony and effectively implement the pension system.	No significant differences.
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		1. The Company's offices and production areas are completely non-smoking, production equipment is equipped with protective devices, monitors and security systems or personnel are installed at entrances and exits, fire drills and first aid courses are regularly scheduled, every employee is insured by group insurance, and regular medical checkups are held to maintain health. 2. Our factory employees are scheduled for annual medical checkups (once every two years for the head office) to comply with the health management principle of "prevention is better than cure". 3. The Company has a "first responder" who are responsible for dealing with sudden injuries. 4. The Company obtained ISO 14001 environmental management system certification. 5. No fire accidents occurred this year.	No significant differences.
(4) Has the Company established effective career development training programs for employees?	✓		In addition to regular professional knowledge training, a second professional training and job agency arrangement system are also carried out.	No significant differences.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		1. The Company operates its business in accordance with the relevant regulations. 2. The Company has established a "Complaint and Whistleblowing Policy" and has made the complaint channel available on its website.	No significant differences.
(6) 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?	✓		1. Regular evaluation of suppliers, including factory visits and occasional meetings, etc. 2. In order to ensure that the Company's management system complies with FSC's core labor requirements, and follow the basic principles and rights defined in the International Labor Organization's (ILO) Declaration of the International Labor Organization (ILO) in 1998, the actual situation of suppliers is audited.	No significant differences.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company will complete the preparation of the sustainability report by August 2025.	No significant differences.
6. 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: nil				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: nil				

## Climate-Related Information of TWSE/TPEX Listed Company

### 1 Implementation of Climate-Related Information

Item	Implementation status
<ol style="list-style-type: none"> <li>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</li> <li>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</li> <li>3. Describe the financial impact of extreme weather events and trans-formative actions.</li> <li>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</li> <li>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</li> <li>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</li> <li>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</li> <li>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</li> <li>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</li> </ol>	<ol style="list-style-type: none"> <li>1. The execution of various plans is supervised by the Board of Directors, while the ESG Task Force, composed of the General Manager and other management personnel, is responsible for coordinating the company's overall corporate social responsibility and sustainable development direction. They formulate relevant strategies and objectives and are in charge of preparing the sustainability report. Additionally, the task force identifies risks related to climate change issues, devises improvement measures, and incorporates them into the management objectives of ESG. These measures are regularly submitted to the Board of Directors for review.</li> <li>2. The company has carefully assessed the risks and opportunities related to climate change as follows: <ol style="list-style-type: none"> <li>① Short-term impacts: Due to increasingly stringent environmental regulations, exporting printed materials to Europe and the United States may encounter risks such as carbon taxes, which severely affect customers' willingness to outsource printing, leading to reduced company revenue. Response strategies include reducing exports of printed materials and complying with carbon reduction policies.</li> <li>② Mid-term impacts: Extreme weather conditions, such as droughts, result in decreased water supply, while high temperatures lead to reduced forest areas, causing shortages in paper raw materials. Response strategies include seeking alternative materials and increasing the use rate of recycled raw materials.</li> <li>③ Long-term impacts: The high carbon emissions associated with paper production lead to increased carbon taxes and fines, which may be passed on as higher costs for printing companies purchasing raw materials. Response strategies include strengthening low-carbon and green energy production and enhancing transparency in information disclosure to improve the image of traditional manufacturing industries.</li> </ol> </li> <li>3. Risks posed by extreme climate conditions to the company (Rising raw material costs, labor shortages, and increased expenses for paper procurement) Financial impact (Higher operating costs, declining revenue, and increased capital expenditures).</li> <li>4. Risk management strategies for operational challenges: Internal regulations should be established, and relevant departments should be authorized to carry out risk assessment and management. This will allow departments to develop effective operational control measures and minimize risks. The company will conduct periodic analyses of</li> </ol>

	risks and opportunities, using the results to formulate and implement objectives and management plans, ultimately aiming to reduce the impact on the company.
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## 1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

### 1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
The company has been conducting a greenhouse gas inventory since January 2025 and will complete the inventory in 2026. Verification is scheduled to be completed in 2028.

Note 1: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 2: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 3: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
under preparing

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

### 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
The company has been conducting a greenhouse gas inventory since January 2025 and will complete the inventory in 2026. Verification is scheduled to be completed in 2028.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.



(6) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		The Company has formulated "Ethical Corporate Management Best Practice Principles" and approved by the Board. The Board and management will abide by the commitment to actively implement the ethical corporate management policy.	Conformed to.
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		The Company's "Employee Work Rules" stipulates that Employees of the Company who "intentionally disclose the Company's technical and business secrets, embezzling public funds, stealing Company property, engaging in foreign transactions and seeking private interests from them" and other acts that cause damage to the Company may be dismissed without prior notice. In addition, a letter of integrity agreement is signed with employees to prevent bribery from manufacturers.	Conformed to.
(3) 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?	✓		The company has formulated the "Ethical Corporate Management Best Practice Principles" and "Complaint and Whistle-blowing Policy", and made the complaint channels public on the website, and regularly reviewed the aforementioned systems.	Conformed to.
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		The Company's contracts for the sale of bulk purchases and bulk sales of offcuts expressly provide that the Company may terminate this contract and seek damages for any commission, rebate, gift or other benefit given to our contractors in order to protect the integrity of the transaction.	Conformed to.
(2) Has the company set up a dedicated unit to promote ethical corporate 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?	✓		The Company's General Manager's Office is responsible for the development of ethical corporate management and prevention programmes, which are overseen by the Audit Office and reported to the Board on a regular basis.	Conformed to.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?		✓	Not yet formulated.	It will be formulated according to the actual situation in the future.
(4) 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?	✓		The Company has established an effective accounting system and internal control system. The internal audit unit prepares an annual audit plan and carries out relevant audits in accordance with the plan, and reports the audit results to the Board on a regular basis so that the management can understand the implementation of the Company's internal control for management purposes.	Conformed to.
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		The Company has organised in-house training on ethical corporate management in the 4 <sup>th</sup> quarter of 2024.	Conformed to.

Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<b>3.Implementation of Complaint Procedures</b> (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	✓		1. The Company has established a "Complaint and Whistleblowing Policy" to regulate. 2. By stakeholder status, the departments responsible for handling these matters are "Human Resources", "Finance and Accounting", "Business" and the "General Manager's Office"; if managers and directors are involved, the audit department will report to the independent director or supervisor.	Conformed to.
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		3. The Company keeps the identity of the whistleblower and the content of the whistleblower confidential, and if it is found that it has been improperly dealt with, the senior management will assist in handling it, and properly arrange the rights and interests of the whistleblower.	
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		4. If the whistleblowing and complaint case is verified to be true and is in the interest of the company, after the evaluation by the general manager, the complainant or whistleblower will be rewarded in cash.	
<b>4. Strengthening Information Disclosure</b> Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The ethical corporate management policies have been disclosed on the Company website ( <a href="http://www.choiceprintgroup.com/ch/rule.php?id=14">http://www.choiceprintgroup.com/ch/rule.php?id=14</a> ) and Market Observation Post System (MOPS).	Conformed to.
5.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: No significant differences.				
6. 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): nil				

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

In order to establish the Company's good internal material information processing and disclosure mechanism, avoid improper disclosure of information, and ensure the consistency and accuracy of the Company's information released to the outside world, the "Procedures for Handling Material Inside Information" has been formulated to inform all directors and supervisors, managers and employees, and put it in the company's internal sharing folder. If the method is revised in the future, the sharing folder will be updated at any time for all colleagues to follow. "Regulations Governing the Management of the Prevention of Insider Trading" are also in place to prevent breaches or instances of insider trading by colleagues.

(8) The section on the state of implementation of the company's internal control system shall furnish the following:

1. A Statement on Internal Control

A Statement on Internal Control System  
Choice Development, Inc.

Date: March 12, 2025

With regard to the internal control system of 2024, the company declares the following per self-assessment results.

1. The company affirms that it is board of directors of the company and management's responsibility to establish, implement and maintain internal control system and the company has established said system. The objective for such establishment is to achieve the goals of operational effectiveness and efficiency (including profit, performance, and asset security, etc.), report reliability, timeliness, transparency, and compliance of governing laws.
2. Internal control system comes systemically with inevitable limitations; however sound the design of it may be, an effective internal control system provides assurance to the aforementioned aims to a mere reasonable extent; moreover, due to changes of the environments and conditions, the effectiveness of internal control system may change accordingly. Nevertheless, the company's internal control system is equipped with a self-monitoring mechanism - should any fault be identified, The company will take immediate corrective action.
3. The company determines whether its design and implementation of internal control system are effective in accordance with "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter as the "Governing Regulations"). As per the governing Regulations, the determining factors for the effectiveness of internal control system shall at least include the following elements: 1. Controlled Environment, 2. Risk Assessment, 3. Controlled Operations, 4. Information and Communication, 5. Monitoring. Each constituent element in turn includes several items. For the aforementioned items, please refer to the provisions of the "Governing Regulations".
4. The company has adopted aforesaid determining factors of internal control system to examine the effectiveness of the design and implementation of internal control system.
5. Based on the examination results from the preceding item, the company deems that the company's internal control system (including the supervision and management of subsidiaries) on December 31, 2024, including understanding the effectiveness of operations and the degree of achievement of efficiency goals, reports are reliable, timely, transparent, and compliance with relevant norms and relevant laws and regulations, the design and implementation of relevant internal control systems are effective, which can provide a reasonable assurance to achieve the above aims.
6. This statement will be the main content of the company's annual report and public deliberation statement, open for public access. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, 174 of, and other regulations relating to, the Securities and Exchange Act, Republic of China (Taiwan).
7. This statement has been agreed and signed off by the board of directors of the company as of March 12, 2025; however, it is the fact that, among the 7 directors present at the board meeting, no dissented and the remainder consented herewith.

Choice Development, Inc.

Chairman: Chen, Hui-Yu

General Manager: Chen, Hung-Pin



2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: Nil

- (9) 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.

Date	Material resolutions of shareholders meeting and implementation
May 29, 2024	Adoption Matters for adoption: (1) Adoption of the 2023 Business Report and Financial Statements. Execution situation: Adopted as written. (2) Adoption of the Proposal for 2023 Deficit Compensation: Adopted as written
	Matters for Discussion: (1) Amendment of some provisions of the Company's "Article of Incorporation": Adopted as written. (2) Release the Prohibition on Directors and their representatives from Participation in Competitive Business: Adopted as written.

Date	Material resolutions of the board of directors
March 13, 2024	<ol style="list-style-type: none"> <li>1. Adopted the company's 2024 operating plan.</li> <li>2. Adopted the company's 2023 annual business report.</li> <li>3. Adopted the company's 2023 financial statements and consolidated financial statements and loss appropriation plan.</li> <li>4. Adopted the company's 2023 internal control effectiveness assessment and written internal control statement.</li> <li>5. Adopted amendments to some provisions of the company's "Articles of Association".</li> <li>6. Adopted the case of lifting the non-competition restrictions on the company's directors and their representatives.</li> <li>7. Adopted the proposal to convene the 2024 regular shareholders meeting.</li> <li>8. Adopted the period during which stock transfers are suspended and shareholder proposals are accepted.</li> <li>9. Adopted the company regularly evaluates the independence and competency of certified accountants.</li> <li>10. Adopted intends to pre-approve the CPAs, their firms and firm-related companies providing non-assurance service to the company and the subsidiaries.</li> <li>11. Adopted to appoint an accountant to audit the finalization of public expenses and tax visa fees.</li> <li>12. Adopted to formulate the company's "Operational Procedures for Preparation and Verification of Sustainability Reports".</li> <li>13. Adopted amendments to some provisions of the company's "Rules of Procedure for Board of Directors".</li> <li>14. Adopted amendments to some provisions of the Company's "Organizational Rules of the Audit Committee".</li> </ol>
May 8, 2024	<ol style="list-style-type: none"> <li>1. Adopted the Company's consolidated financial statements for the first quarter of 2024.</li> <li>2. Adopted the Amendments of "Sale and receipt cycle", "Purchase and payment cycle" and "Production cycle".</li> </ol>
August 9, 2024	<ol style="list-style-type: none"> <li>1. Adopted the consolidated financial statements for the second quarter of 2024 for the company.</li> <li>2. Adopted the amendment of "Production cycle".</li> <li>3. Adopted the proposal of "replacement of Accounting Firm and CPAs".</li> <li>4. Adopted the approval case for the appointed accountant's audit fee and tax compliance audit fees.</li> </ol>
November 7, 2024	<ol style="list-style-type: none"> <li>1. Adopted the Company's consolidated financial statements for the third quarter of 2024.</li> <li>2. Adopted the amendment of "Management and Control of Seals".</li> <li>3. Adopted the amendment of "Sustainability Group Organization Charter".</li> <li>4. Adopted the establishment of "Sustainable Information Management Operations".</li> </ol>

Date	Material resolutions of the board of directors
March 12, 2025	<ol style="list-style-type: none"> <li>1. Adopted the company's 2025 operating plan.</li> <li>2. Adopted the company's 2024 annual business report and financial statements.</li> <li>3. Adoption of the Proposal for 2024 Deficit Compensation</li> <li>4. Adopted the company's 2024 internal control effectiveness assessment and written internal control statement.</li> <li>5. Approved the scope of grassroots employees.</li> <li>6. Adopted amendments to some provisions of the company's "Articles of Association".</li> <li>7. Adopted the case of lifting the non-competition restrictions on the company's directors</li> <li>8. Adopted the proposal to convene the 2025 regular shareholders meeting.</li> <li>9. Adopted the period during which stock transfers are suspended and shareholder proposals are accepted.</li> <li>10. Adopted the company regularly evaluates the independence and competency of certified accountants.</li> <li>11. Adopted intends to pre-approve the CPAs, their firms and firm-related companies providing non-assurance service to the company and the subsidiaries.</li> <li>12. Adopted to appoint an accountant to audit the finalization of public expenses and tax visa fees</li> </ol>

(10) 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: Nil

#### 4. Information on CPA (External Auditor) Professional Fees

Unit: NT\$1,000

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees (note)	Total	Remarks
PwC Taiwan	Liao, Fu-Ming	Jan. 1, 2024 ~ June 30, 2024	680	0	680	
	Lin, Yi-Fan					
Deloitte Taiwan	Hsin, Yu-Cheng	July 1, 2024 ~ Dec. 31, 2024	870	200	1,070	
	Yeh, Shu-Chuan					

Note: Non-audit fees means tax certification.

- (1) The company shall disclose the amounts of the audit fees and non-audit fees paid to the attesting CPAs and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services: Nil
- (2) When the company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: Nil
- (3) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: Nil

#### 5. Information of Independent Auditor replacement

(1) Information relating to the former CPA

Date of reappointment	Passed during the board of directors meeting dated August 9, 2024.		
Reason for reappointment	For business and management.		
Was the termination of audit services initiated by the principal or by the CPA	Parties involved		Certified Public Accountant
	Stitution		Principal
	Service terminated by		N/A
	Service no longer accepted (continued)		N/A
Reasons for issuing opinions other than unqualified opinions in the recent two years	None		
Disagreements with the company	Yes		Accounting principles or practices
			Disclosure of financial report
			Scope or steps of audit
			Others

	None	V	
	Explanation		
Other disclosures (Matters that shall be disclosed in Item 1-4 to Itdm 1-7, Subparagraph 6, Article 10 of Regulations Governing the Preparation of Financial Reports)	None		

(2) Information relating to the succeeding CPA

CPA Office	Deloitte Taiwan
Names of Auditors	Hsin, Yu-Cheng and Yeh, Shu-Chuan
Date of reappointment	Passed during the board of directors meeting dated August 9, 2024
Inquiries and replies relating to the accounting practices or accounting principles of certain transactions, or any audit opinions the auditors were likely to issue on the financial reports prior to reappointment	None
Written disagreements from the succeeding auditor against the opinions made by the former CPA	None

3. The reply letters on Item 1, and Item 2-3, Subparagraph 6, Article 10 of Regulations Governing the Preparation of Financial Reports by Financial Holding Companies from the previous CPA:  
None

6. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held: Nil
7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Job title	Name	FY 2024		Current fiscal year as of March 31, 2025	
		Shareholding increase (or decrease)	Pledged Shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Chen, Hui-Yu	0	0	0	0
Director	Chang Shih-Kui, the representative of Dehui Investment Co., Ltd.	0	0	0	0
		0	0	0	0
Director	Lin Keng-Jan, the representative of Solara Enterprises, Ltd.	0	0	0	0
		(149,000)	0	0	0
Director	Kuo, Cheng-Hung, the representative of Wei Chen investment Co. Ltd.	0	0	0	0
		0	0	0	0
Independent Director	Lin, Lung-Ta	0	0	0	0
Independent Director	Tsai, Ming-Fang	0	0	0	0
Independent Director	Chung, Kung-Chao	0	0	0	0
General Manager	Chen, Hung-Pin	0	0	15,000	0
Major Shareholder	Peng, Teng-Te	0	0	0	0
Deputy assistant general manager	Yang, Chia-Yu Note 1	0	0	0	0
Deputy assistant general manager	Huang, Shih-Hsuan	0	0	0	0
Officer of Dept. Accounting & Finance	Lee, Chen-Hua	0	0	0	0
Special Assistant	Chang, Chun-Hsiang Note 2	0	0	0	0
Corporate Governance Officer	Chen, Yen-Hui	0	0	0	0
Manager	Wang, Pei-Ling	0	0	0	0

Note: Major shareholder means the shareholder with a stake of more than 10 percent. Where the counter-party in any such transfer or pledge of equity interests is a related party: Nil

1. Resigned on February 14, 2025.

2. Resigned on February 28, 2025.



**8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another**

Relationship information among the company's 10 largest shareholders

Name	Shares Held by the person		Shares Held by Spouse and Minor Children		Shares Held through Nominees		The names and relations among the Company's 10 largest shareholders who is a related party or a relative within the second degree of kinship of another		Remarks
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Name	Relationship	
Peng, Teng-Te	19,999,800	19.75	-	-	-	-	Dehui Investment Co., Ltd. Lin, Wen-Hui Peng, Ting-Ching	Director Spouse Brother/sister	
Hsu, Yu-Shan, the representative of Yaotze Co., Ltd.	8,369,000	8.26	-	-	-	-	-	-	
	1,447	0.001	4,158,194	4.11	-	-	Hsu, Chien-Chen	Spouse	
Lin, Sheng-Hsiu, the representative of Hung Lin Int'l Co., Ltd.	6,125,000	6.05	-	-	-	-	-	-	
	0	0.00	-	-	-	-	-	-	
Lu, Mei-Hu, the representative of Xirui Investment Co., Ltd.	6,000,000	5.92	-	-	-	-	-	-	
	0	0.00	-	-	-	-	-	-	
Lee, Chang-Lin, the representative of Quansheng Investment Co., Ltd.	5,740,200	5.67	-	-	-	-	-	-	
	0	0.00	-	-	-	-	-	-	
Lin, Wen-Hui. The representative of Dehui Investment Co., Ltd.	5,022,409	4.96	-	-	-	-	Peng, Teng-Te	Director	
	0	0.00	19,999,800	19.75	-	-	Peng, Teng-Te	Spouse	
Peng, Ting-Ching, the representative of Sanho Investment Co., Ltd.	5,021,638	4.96	-	-	-	-	-	-	
	0	0.00	-	-	-	-	Peng, Teng-Te	Brother & sister	
Hsu, Chien-Chen	4,158,194	4.11	1,447	0.001	-	-	Hsu, Yu-Shan	Spouse	
Kao, Mei-Feng, the representative of Chen Jie Investment Co., Ltd.	3,159,400	3.12	-	-	-	-	-	-	
	0		-	-	-	-	-	-	
Chen, Hui-Yu	3,000,057	2.96	-	-	-	-	-	-	

Note: This table is the latest closing of the company's transfer of ownership as of the date of publication of the annual report.

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

**Total Ownership of Shares in Investee Enterprises**

March 31, 2025

Unit: Shares; %

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Omni Media Int'l Inc.	53,444,341	81.19%	-	-	53,444,341	81.19%
Choice Property Management Inc.	3,000,000	60%	500,000	10%	3,500,000	70%

Note :The investment calculated by equity method.

# III. Information on capital raising activities

## 1. Capital and Share

### (1) Sources of Capital

March 31, 2025

Month/ year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares (1000 shares)	Amount (NT\$1000)	Shares (1000 shares)	Amount (NT\$1000)	Sources of capital (NT\$1000)	Capital paid in by assets other than cash	Other
01/2015	10	176,000	1,760,000	95,800	958,000	Capital reduced 533,704	No	Note 1
05/2015	10	176,000	1,760,000	121,800	1,218,000	<b>Private placement</b> 260,000	No	Note 2
09/2015	10	176,000	1,760,000	168,800	1,688,000	<b>Private placement</b> 470,000	No	Note 3
06/2019	10	249,200	2,492,000	168,800	1,688,000	-	No	Note 4
12/2020	10	250,000	2,500,000	101,280	1,012,800	Capital reduced 675,200	No	Note 5

Note: 1. Jing-shou-shang-zi No. 10401015860 dated January 26, 2015.  
2. Jing-shou-shang-zi No. 10401101010 dated June 01, 2015.  
3. Jing-shou-shang-zi No. 10401201420 dated September 22, 2015.  
4. Jing-shou-shang-zi No. 10801064130 dated June 04, 2019.  
5. Jing-shou-shang-zi No. 10901201610 dated October 23, 2020.

Unit: share

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common share	101,280,000	148,720,000	250,000,000	Nil

Note: Information about Shelf Registration System: N/A

- (2) List of Major Shareholders: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list

March 31, 2025

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Peng, Teng-Te		19,999,800	19.75%
Yaoze Co., Ltd.		8,369,000	8.26%
Hung Lin International Co., Ltd.		6,125,000	6.05%
Xirui Investment Co., Ltd.		6,000,000	5.92%
Quansheng Investment Co., Ltd.		5,740,200	5.67%
Dehui Investment Co., Ltd.		5,022,409	4.96%
Sanho Investment Co., Ltd.		5,021,638	4.96%
Hsu, Chien-Chen		4,158,194	4.11%
Chen Jie Investment Co., Ltd.		3,159,400	3.12%
Chen, Hui-Yu		3,000,057	2.96%

- (3) Company's dividend policy and implementation

#### A. Dividend policy as stipulated in the Articles of Incorporation:

If this Company has earnings in its annual final accounts, it shall pay taxes and make up losses according to law, and the next 10% is the legal reserve, but this is not the case when the legal reserve has reached the paid-in capital. In addition, after the special reserve is listed or reversed according to the relevant laws and regulations, and the retained earnings-unappropriated at the beginning of the same period is the accumulated distributive earnings of shareholders, the Board will draw up a plan for the distribution of earnings.

The dividend policy of this Company is to calculate the distributive earnings according to the

preceding paragraph, then reserve the required funds according to the operation plan of this Company, and distribute the rest as dividends to shareholders, and the proportion of cash dividends should not be less than 30%.

- B. Situation of the proposed dividend distribution at this shareholders' meeting: The proposed distribution of cash dividend is NT\$0 per share
- (4) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:  
The shareholders' meeting proposed not to distribute stock grants, so it is not applicable.
- (5) Profit-sharing compensation of employees, directors:
- A. The percentages or ranges with respect to employee, director profit-sharing compensation, as set forth in the company's articles of incorporation:  
After deducting the accumulated losses according to the current year's profit status, this Company shall allocate no less than 3% of the employee's remuneration and no more than 3% of the director's remuneration if there is any remaining balance.  
When employee remuneration is distributed in the form of stock or cash, the Board shall make a resolution with more than two-thirds of the directors present and more than half of the directors present and report it to the shareholders meeting.  
The recipients of stock or cash as employee remuneration may include employees of controlling or subordinate companies who meet certain conditions, and the conditions are authorized to be set by the Board.
- B. The basis for estimating the amount of employee, director, and supervisor 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:  
Before the issued date of the adopted annual financial report, if there is a major change in the distribution amount resolved by the board of directors, the change shall adjust the original annual expense; after the adopted annual financial report is issued, if there is still a change in the amount, it will be treated as a change in accounting estimate and will be adjusted and recorded in the next year.
- C. Information on any approval by the board of directors of distribution of profit-sharing compensation:
- The amount of any employee profit-sharing compensation and director profit-sharing compensation distributed in cash or stocks: Nil
  - The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation: No employee stock has been issued.
- D. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated:

Unit: NT\$

	Actual number distribution	Annual estimates of recognized expenses	difference number
Employee profit-sharing compensation	0	0	0
Director profit-sharing compensation	0	0	0

(6) Status of a company repurchasing its own shares: nil

- Information on the company's issuance of corporate bonds: Nil**
- Section on preferred shares: Nil**
- Section on global depository receipts: Nil**
- Section on employee share subscription warrants shall specify the following matters: Nil**
- Section on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: Nil**
- Section on implementation of the company's capital allocation plans: No securities were issued or privately placed during the year.**

# VI. Overview of business operations

## 1. Description of the business:

### (1) Scope of business:

- A. The company's major lines of business:
  - a. Printed Matter Binding and Processing
  - b. General Advertisement Service
  - c. ESG-related solutions.
  - d. Cybersecurity products
- B. The relative weight of each: Printing revenue 68.5%; advertising revenue 27.7%, and medical equipment 3.8%.
- C. Current products (services):
  - a. Pre-press: product planning, design, photography and computer scanning color separation, plate making, etc.
  - b. In-press: printing down, printing (sheet and rotary printing).
  - c. Post-press: origami, bookbinding (saddle stitch, glue binding), calendar collation, etc.
  - d. Advertising business service: According to the characteristics of the advertiser's industry/product, and in response to the different properties of the transportation media field that the Company acts as an agent, provide a full range of outdoor transportation media products for advertisers to place on different media. Digital advertising represents a new form of outdoor advertisement that integrates digital technologies and system coordination. It allows for selecting specific times and locations for ad placement, utilizing advanced facial recognition technology for precise targeting. Naked-eye 3D advertisements can create an immersive experience.
  - e. Thermal paper for invoices and envelopes.
  - f. Environmentally friendly solutions: Optimized odor treatment suitable for dozens of application scenarios, offering varied applications tailored to different settings.
  - g. ESCO (Energy Service Company) energy-saving/EMS (Energy Management System): Focuses on four core areas—energy saving, energy generation, energy storage, and energy management—providing solutions to enhance energy efficiency, including solar power generation equipment and intelligent energy management systems.
  - h. Cybersecurity products
- 4. New products (services) planned for development: Labels, contact books and cards.

### (2) Overview of the industry:

#### A. Current status

- (1) As sustainability topics such as digitalization and paperless processes continue to gain traction, the traditional printing industry faces market contraction, making industrial transformation inevitable. However, new opportunities can still be found through digital transformation, technological applications, and industry upgrades.
  - (2) With global enterprises gradually implementing Environmental, Social, and Governance (ESG) strategies, the market demand for ESG solutions is rapidly expanding. Companies are actively seeking innovative ESG solutions to meet requirements related to carbon neutrality, green supply chains, energy management, and sustainability reporting disclosures, driving industry development into a new phase. ESG solutions will be a key factor in future corporate competitiveness.
  - (3) Following the post-pandemic reopening, outdoor foot traffic has been steadily increasing. By 2024, various customer categories have expanded and accumulated, and in 2025, efforts will be made to strengthen customer engagement and enhance the diversity of customer industries to ensure long-term profitability and stability.
- B. The links between the upstream, midstream, and downstream segments of the industry supply chain
- (1) The company's services encompass already the entire printing process and provide advertising media, enabling consumers to interact with the media. Upstream are advertisers, such as renowned consumer product brands, or creative advertising service providers responsible for advertising strategies, brand management, creative concepts, and execution.

- (2) Additionally, through ESG solutions, we assist enterprises in achieving the dual objectives of environmental protection and economic benefits. Upstream are ESG technology and equipment suppliers, while downstream are brand enterprises and manufacturers who utilize our solutions to maximize sustainable operational performance.
- C. Development trends and competition for the company's products
- The printing process is very mature, but due to the shrinking market and the trend towards smaller, more diverse and faster deliveries, as well as the difficulty of training technicians, production equipment is moving towards slower, digital and automated production and the use of environmentally friendly materials.
  - Sustainability and energy-saving development, carbon neutrality, renewable energy applications, and eco-friendly packaging have become market essentials. Enterprises must comply with ESG standards and adopt low-carbon technologies to enhance brand image and competitiveness.
3. overview of the company's technologies and its research and development work:  
The company does not have a dedicated research and development department but remains committed to promoting energy saving, sustainability, smart technologies, and diverse solutions. We aim to become a cross-industry resource integrator providing comprehensive solutions. Partnering with industries across technology, products, consulting, and integrated services, we implement the concept of sustainable operations in all aspects. We design customized solutions for enterprises, helping them maximize sustainable operational performance and continually enhance the company's competitiveness.
4. The company's long- and short-term business development plans:
- Short-term development plans
    - Strive for the cross-field printing market, including accepting more small-volume, diverse, customized and auxiliary processing prints, and training packaging material design and business personnel to strive for the packaging material printing market.
    - Combining the customer's planning ability to jointly strive for the bidding documents that require proposals, maintain the role of manufacturer and partner with the customer, and sublimate the customer relationship.
    - Integrate the company's related enterprise resources, exchange resources required by customers, and achieve symbiosis and co-prosperity.
    - In response to the increase in paper raw materials, periodicals and commonly used paper, contract or purchase inventory in advance according to needs, reduce procurement costs and increase competitiveness.
  - Middle-term and long-term development plans
    - (1) Establish long-term friendly competition and cooperation relationships and develop together with major peers.
    - (2) Actively explore the mid-to-high-end business travel advertising market and realize the application of precise fields and big data.
    - (3) Expand business projects, including customized products and provision of solution services, and look for new business projects with business model potential,
    - (4) Develop different advertising fields, take advantage of resource integration, and expand the media market territory

## 2. Analysis of the market as well as the production and marketing situation

### (1) Market analysis

#### A. the geographic areas where the main products (services)

Unit: NT\$1,000

FY	2023		2024	
District	Amount	%	Amount	%
Taiwan	686,704	97.9	642,160	98.1
Others	14,604	2.1	12,710	1.9
Total	701,308	100.0	654,870	100.0

B. the company's market share, demand and supply conditions for the market in the future

Electronic and mobile media are still attracting more attention from consumers. E-commerce, cross-media communication and marketing are directly affecting the growth of the traditional print market, which has led to a significant decline in circulation and advertising in paper media. For the publishing and commercial printing industry, the problem of oversupply continues and price competition is inevitable.

ESG policies are accelerating the growth in market demand, as global governments and international organizations successively establish mechanisms for carbon emission trading, supply chain ESG reviews, and corporate sustainability disclosure standards (such as TCFD and ISSB). This drives enterprises to adopt ESG solutions. Moreover, brands and publicly listed companies need to meet investor requirements for ESG standards, further boosting market demand for sustainability reports, carbon inventories, energy saving, and carbon reduction.

C. the company's competitive niche

- a. North-south network connection, and convenient services across the province
- b. High quality, fast delivery.
- c. Long history, good reputation, high customer visibility.
- d. By integrating services and resources, we collaborate with partners to build comprehensive and customized solutions, addressing needs from various product and service perspectives to achieve synergistic benefits.

D. positive and negative e factors for future development, and the company's response to such factors

a. Positive factors:

- i. The Company is the only stock listed company in its industry, which helps to enhance its image.
- ii. With consistent production capacity, the Company has a spacious production plant located in Anping Industrial Park, occupying 836 pings and 1400 pings, which not only provides sufficient space for consistent operations, but also has great benefits for production line planning, effective control of raw material inventory, and smooth delivery. °
- iii. Perfect process quality management reduces defective rate to improve quality and production capacity, enhance market competitiveness, and greatly contribute to the increase of sales.
- iv. Invest in or make strategic alliances with upstream industries to obtain orders directly through partnerships.

b. Negative factors and the company's response to such factors:

Negative factors: The market has shrunk and entered into a price war.

The company's response to negative factors:

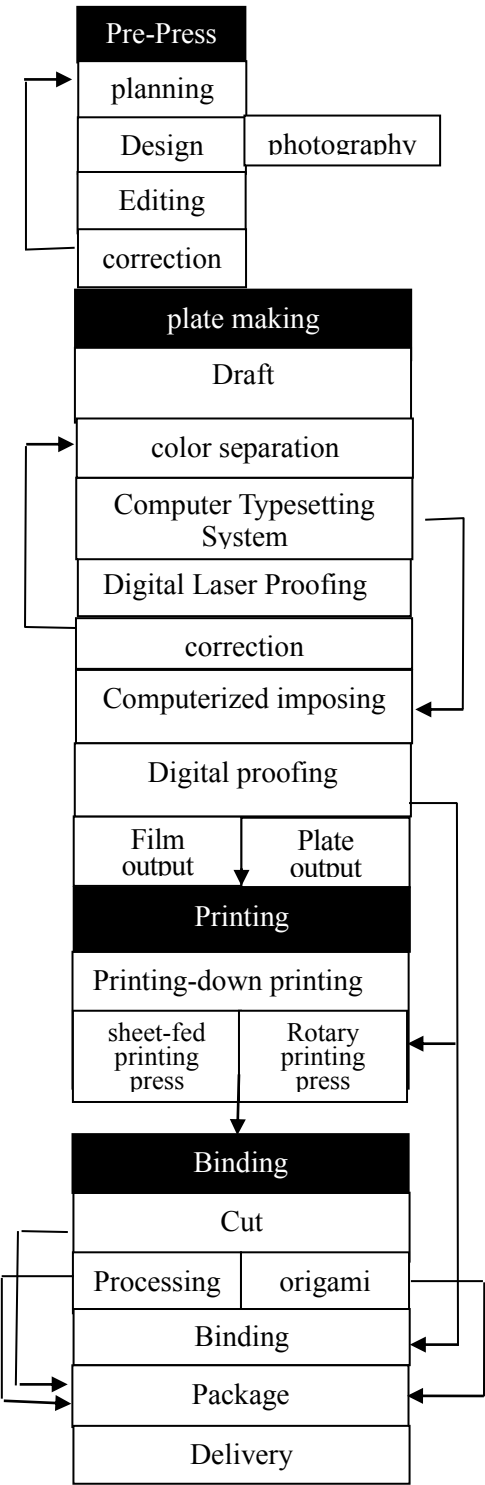
To cope with the market environment, we will strengthen our management and actively control costs to improve performance. In terms of raw material procurement, we will renegotiate with suppliers to reduce costs and maximize profit margins. At the same time, we will implement cost-saving programs, including measures to save money on defects, transportation, gas and electricity.

(2) Usage and manufacturing processes for the company's main products

A. Usage for the company's main products

- a. Commercial printing: such as DM, posters, brochures, catalogs, annual reports, calendars, weekly calendars and other products, as a promotional tool for companies in the industrial and commercial sector or product promotions.
- b. Publishing and printing of magazines: books, periodicals (weekly, semi-monthly, monthly, quarterly), albums, textbooks, etc.
- c. Advertising services: Provide services in different fields based on the industry and product characteristics of the advertiser.

B. Manufacturing processes for the company's main products



(3) Supply situation for the company's major raw materials

- Paper: 1. General paper is supplied by domestic paper mills.  
2. Some of the special papers are imported from overseas by our agents.
- Ink: Mainly supplied by domestic ink suppliers.



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

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

Unit: NT\$1,000

Item	FY 2023				FY 2024				Up to the first quarter of the current fiscal year 2025			
	Nam	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the first quarter of the current fiscal year (%)	Relationship with the issuer
1	Company C	77,342	26.73	No	Company C	50,177	25.94	No	Company B	8,582	23.01	No
2	Company B	60,095	20.77	No	Company B	25,644	13.26	No	Company D	5,302	14.21	No
3	Company A	48,938	16.91	No	Company D	24,802	12.82	No	Company C	4,399	11.79	No
4	Company D	29,345	10.14	No	Company A	24,554	12.69	No	Company A	4,215	11.30	No
	Others	73,631	25.45		Others	68,259	35.29		Others	14,804	39.69	
	purchases	289,351	100.0	Purchases net	purchases	193,436	100.0		Purchases net	37,302	100.0	

Note: The main reason is that with the decline of printing products, the purchase of related paper has decreased.

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

Unit: NT\$1,000

Item	FY 2023				FY 2024				Up to the first quarter of FY2025			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales up to the first quarter of the current fiscal year (%)	Relationship with the issuer
1	Company A	80,366	11.46	No	Company A	72,576	11.08	No	Company B	25,810	14.59	No
2	Company B	0	0	No	Company B	0	0	No	Company A	17,744	10.03	No
	Others	620,942	88.54	Other	Others	582,294	88.92		Others	133,302	75.38	
	Net sales	701,308	100.0	Net sales Sales	Net sales	654,870	100.0		Net sales	176,856	100.0	

Note: The company B is a new customers

### 3. Employees

Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

Financial year		FY2023	FY2024	As of March 31, 2025 of the current fiscal year
Number of employees	Clerk	51	44	42
	Indirect technician	24	17	17
	Direct labor	37	24	24
	Total	112	85	83
Average age		51.02	52.66	52.48
Average years of service		9.29	6.25	6.18
Education distribution percentage (%)	Ph.D.	0	0	0
	Master's degree	6.3%	4.7%	4.8%
	College/university	53.6%	54.1%	54.2%
	Senior high school	31.3%	31.8%	31.3%
	Below senior high school	8.8%	9.4%	9.6%

### 4. Disbursements for environmental protection:

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid), and disclosing an estimate of possible expenses that could be incurred in future and an explanation of the facts of why it cannot be made shall be provided : Nil

### 5. Labor relations

- (1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

#### A. Employee benefit plans

In January 1978, the Company established the Employee Welfare Committee, which provides funds in accordance with government regulations to promote various welfare measures. In addition to universal health insurance and labor insurance, the Committee also provides employees with group insurance, birthday gifts, annual gifts, wedding and funeral subsidies, condolence payments, and employee travel subsidies.

#### B. Continuing education, training

For the company's long-term development and the needs of employees' self-growth, in addition to organizing personnel training courses to improve the professional quality of employees; employees can also participate in irregular external training according to needs to enrich new knowledge and improve work professionalism and efficiency.

#### C. Retirement systems, and the status of their implementation

The Company established the Labor Retirement System in accordance with the Labor Standards Act and other relevant laws and regulations, and set up the Supervisory Committee of Labor Retirement Reserve to make monthly contributions to the employees' retirement reserve and deposit them in a special account in the Trust Department of the Bank of Taiwan. In accordance with the regulations, the Company contributes the full amount of the current year's old labor retirement reserve to the account by the end of March each year for those who are eligible to retire.

Employees who were employed under the Labor Standards Act on the day prior to the implementation of the Labor Pension Act (06.30.2005) and who choose to be covered by the new pension system will have their monthly pensions paid into their individual labor retirement accounts within 6% of their wages. For those who choose to continue to be subject to the retirement provisions of the Labor Standards Act, the amount will be transferred to the pension account of the Bank of Taiwan Trust Department in accordance with the provisions. Employees who joined the Company after 07.01.2005 will be subject to the new pension system.

#### D. Status of labor-management agreements

Since its establishment, the Company has been based on the integrated relationship between labor and management. Since its establishment, the Company has been in line with the relationship between labor and capital. It registered with the government in January 1978 to establish an Employee Welfare Committee to promote various employee welfare work, and regularly held Employee Welfare Committee and labor-management meetings to promote the consensus of "co-existence and co-prosperity" and "integration of labor and management", so that The relationship between labor and management has been harmonious.

- E. Working environment and personal safety protection measures for employees
  - a. In order to ensure the safety of employees in the workplace, the Company promotes the 5-S campaign to improve the cleanliness, hygiene and safety of the working environment.
  - b. Prepare work clothes, earplugs, gloves and other necessary safety protective devices, and require employees to wear and use them in accordance with regulations to avoid injury.
  - c. Annual fire drill is held to prepare preventive measures and take correct safety protection measures in case of accidents.
  - d. Regular annual fire safety inspections, noise measurements and monthly sewage tests are carried out and reported to the relevant authorities.
  - e. The environment is cleaned monthly and the chiller equipment is cleaned regularly every year to maintain air quality.
  - f. Contracted with a professional electrical and mechanical company to regularly inspect the circuits in order to provide a safe working environment for our staff.
  - g. Announce measures for prevention and treatment of sexual harassment, set up channels for employees to complain; colleagues can respond to problems, propose amendments to regulations, and communicate well.
- (2) 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 in the future and measures being or to be taken: Nil

## 6. Cyber security management

- (1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.
  - A. Cyber security risk management framework
 

The Company's Information Department is the unit responsible for coordinating and implementing information security policies. In addition to the department head, there are three staff members in the department. The main tasks are to promote information security information, strengthen staff's awareness of information security, update and maintain software and hardware equipment, and the audit office regularly conducts information security checks on the internal control system-computerized information use and processing cycle every year, and evaluates the effectiveness of the internal control of the company's information operations. °
  - B. Cyber security policies
 

In order to implement security management, the Company has set up a "Standard for the Use of Electronic Message Exchange System" to achieve the following long-term and long-term objectives:

    - a. Ensure the confidentiality and integrity of information assets.
    - b. Ensure data access in accordance with departmental functional specifications.
    - c. Ensure the continuous operation of the information system.
    - d. Prevent unauthorized modification or use of data and systems.
    - e. Perform security audit regularly to ensure the implementation of information security.
  - C. Concrete management programs
    - a. Complete server replacement in February 2022.
    - b. Conduct regular virus scans of computer systems and data storage media.
    - c. Periodically review the System Log of each network service item to track abnormal data access control.
    - d. Chrome Remote (computer and mobile version) is available for people to work at home in response to the outbreak.

- e. Review emergency response plans regularly.
  - f. Create a daily system backup mechanism.
  - g. Review computer network security control measures regularly
  - h. Irregularly implement information security information education and training.
- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: The Company currently has no major information security incidents that have caused business damage.

## 7. Important contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
short-term loan	Yongchun Branch First Bank	June 30 ,2024 ~ June 30, 2025	Tainan factory land and factory mortgage loan	No
Exclusive Agent	Taoyuan International Airport Corporation Ltd.	January 01, 2019 ~ February 28, 2031	Commercial Advertisement Stations in Terminal 1 and Terminal 2	No restrictive clause

## V. Review and analyze financial position and financial performance, and assess company's risks

### 1. Financial position

#### Comparative analysis statement of financial position

Unit: NT\$1,000

Item \ FY	2024	2023	Difference	
			Amount	%
Current assets	588,299	631,029	(42,730)	(6.77)
Property, Plant and	245,049	251,710	(6,661)	(2.65)
Other assets	1,172,208	1,302,397	(130,189)	(10.00)
Total assets	2,005,556	2,185,136	(179,580)	(8.22)
Current liabilities	394,464	434,362	(39,898)	(9.19)
Non-current liabilities	755,022	904,475	(149,453)	(16.52)
Total liabilities	1,149,486	1,338,837	(189,351)	(14.14)
Share capital	1,012,800	1,012,800	0	0
Retained earnings	(57,906)	(44,259)	(13,647)	30.83
Other equity	(128,819)	(155,092)	26,273	(16.94)
Equity of parent	825,075	813,449	11,626	1.43
Non-controlling interests	22,275	32,850	(10,575)	(32.19)
Total equity	847,350	846,299	1,051	0.12
Explanation on the analysis of those whose ratio of increase or decrease in the last two years has changed by 20% and NT\$10 million or more: 1. The decrease in retained earnings was mainly due to operating losses. 2. The decrease in non-controlling interests was mainly due to operating losses.				

## 2. Financial performance

### (1) Financial Performance Analysis

Unit: NT\$1,000

Item \ FY	2024	2023	Difference	
			Amount	%
Operating Revenue	654,870	701,308	(46,438)	(6.62)
Operating costs	588,430	630,898	(42,468)	(6.73)
Gross profit	66,440	70,410	(3,970)	(5.64)
Operating expenses	81,523	76,786	4,737	6.17
Operating Income	(15,083)	(6,376)	(8,707)	(136.56)
Non-operating revenue & expenses, other income(expense)	(9,862)	(133,754)	123,892	(92.63)
Income before taxes	(24,945)	(140,130)	115,185	(82.60)
Income tax expense	(511)	878	(1,389)	(158.20)
Net Income	(24,434)	(141,008)	116,574	(82.67)
Other comprehensive income	25,485	51,971	(26,486)	(50.96)
Total comprehensive income	1,051	(89,037)	90,088	(101.18)
Explanation on the analysis of those whose ratio of increase or decrease in the last two years has changed by 20% and NT\$10 million or more: 1. The increase in non-operating income (expenses), net profit before tax, net profit for the current period and comprehensive profit and loss was mainly due to the loss recognized from lost lawsuits in the previous year. 2. The decrease in other comprehensive income was mainly due to the decrease in stock valuation gains.				

2. The expected sales volume and its basis, the possible impact on the company's future financial business and the response plan: No public forecast is required, so it is not applicable.

### 3. Cash flow

#### (1) 2024 Cash Flow Analysis

Unit: NT\$1,000

Beginning of the period Cash Balance	Year-round selfservice Net cash flow from activities	Annual Cash Inflow	Cash surplus (Deficiency) Amount	Remedies for cash shortage	
				Investment Plan	Financial Plan
297,622	232,318	(221,171)	308,769	-	-
1. Analysis of cash flow changes in this year The Consolidated Company's cash inflow for the year was NT\$99,953 thousand, which was mainly due to the transfer of financial assets measured at amortized cost-current to cash.					
2. Estimated remedies for cash shortage and liquidity analysis: Not applicable.					

#### (2) Cash flow analysis for the coming year

Unit: NT\$1,000

Beginning of the period Cash Balance	Year-round self-service Net cash flow from activities	Annual Cash Inflow	Cash surplus (Deficiency) Amount	Remedies for cash shortage	
				Investment Plan	Financial Plan
308,769	150,000	(168,000)	290,769	-	-
1. Analysis of cash flow changes in this year It is estimated that there will be little change in cash flow in the coming year for the consolidated company.					
2. Estimated remedies for cash shortage and liquidity analysis: Not applicable.					

**4. The annual report shall describe the effect upon financial operations of any major capital expenditures during the most recent fiscal year.**

**5. The annual report shall describe the company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:**

The Company's reinvestment policy is based on the need for business development and consideration of the Company's future growth.

The management policy of the Company regarding the investment business shall be based on the relevant management measures of the Company's internal control system, and in accordance with the "Subsidiary Supervision Measures" and "Related Party Transaction Procedures" as the operation and management of the reinvested business, implement the supervision and management of the reinvested business.

Choice Development Co., Ltd. is engaged in urban renewal and reconstruction of dangerous and old buildings, etc., because it needs to obtain the consent of all land and building owners before it can carry out urban renewal or reconstruction and collect management fees. At present, part of the ownership has been obtained, and the communication with all land and building owners will be accelerated in the future.

Omni Media International Incorporation is a transport outdoor media operator. The loss for the year was mainly due to the impact of the loss of the lawsuit, and we will continue to liaise closely with our clients, media agencies and advertising agencies to explore possible opportunities for proposals, as well as to seek new layout formats from owners and update our sales tools in response to market conditions.

**6. The section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report:**

- (1) 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.
  - A. At present, the market funds continue to be loose, and the overall interest rate remains low. As of the publication date of the annual report, the Company and its subsidiaries are expected to have earnings in cash flow in the next year, and they will adjust financing instruments depending on the interest rate level in the future. Therefore, the impact of interest rates on the Company's profit and loss is not significant.
  - B. The impact of the latest annual exchange rate changes on the company's profit and loss and future countermeasures:  
The company mainly sells domestically and the impact of exchange rate changes is not significant; it already holds foreign currency positions and the finance unit will continue to monitor exchange rate changes to avoid losses to the company.
  - C. Impact of recent annual inflation on the Company's profit and loss and future measures:  
Inflation is a result of changes in the overall economic environment. The Company closely monitors the fluctuation of market prices and maintains good interaction with customers and suppliers to adjust and negotiate sales and import prices in a timely manner in order to hedge the impact of inflation on the Company's profit and loss.
- (2) 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.
  - A. The Company does not engage in high risk, highly leveraged investments.
  - B. Loans to other parties: As at the date of printing of the annual report, the balance of the loaning of funds was \$50,084,000; this represents the loaning of funds that existed prior to the Company's capital increase in Omni Media International Incorporation and which the Company will continue to track until its closure.
  - C. Endorsements, guarantees: As of the date of publication of the annual report, the balance of the endorsement guarantee is \$0.
  - D. Derivatives transactions: Nil
- (3) Research and development work to be carried out in the future, and further expenditures expected for research and development work: Nil
- (4) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:  
All the businesses of the Company are implemented in accordance with the laws and regulations of the competent authorities, and we always pay attention to the policy development trend and changes in laws and regulations to fully grasp and respond to changes in the market environment, so as to ensure the smooth operation of the company.
- (5) The impact of technological changes (including information security risks) and industrial changes on the company's financial business and the response measures: Nil
- (6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: Nil
- (7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.: Nil
- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Nil
- (9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:  
There is no risk of excessive concentration of the Company's purchase sources and sales customers.
- (10) 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: Nil °

- (11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Nil
- (12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:

In 2020, Lee, \*\* and others presented claims to the Taipei District Court, asserting ownership of promissory notes issued by Omni Co., Ltd. totaling New Taiwan \$245,445(thousand) and applied for compulsory enforcement against Omni Co., Ltd.. Omni Co., Ltd. subsequently lodged five lawsuits to confirm the non-existence of the promissory note debt. Among the five lawsuits, Omni Co., Ltd. lost the one against Lee, \*Chin's claim for promissory note debt totaling NT\$122,722 (thousand) by a third-instance court ruling. However, Omni Co., Ltd. successfully obtained a court order to suspend compulsory enforcement. Omni Co., Ltd.'s subsequent retrial lawsuit was unsuccessful, and Lee, \*Chin applied to resume compulsory enforcement. In response, Omni Co., Ltd. filed debtor objections and sought relief by requesting suspension of enforcement. For the remaining four cases, Omni Co., Ltd. has secured final favorable rulings and recovered a portion of the seized funds. Furthermore, the Group proactively engaged lawyers to initiate relevant criminal proceedings. Lee, \*\* and others were convicted and sentenced to imprisonment by the second-instance court. The Group will continue to assert relevant rights in subsequent court proceedings as prescribed by law.

- (13) Other important risks, and mitigation measures being or to be taken: Nil

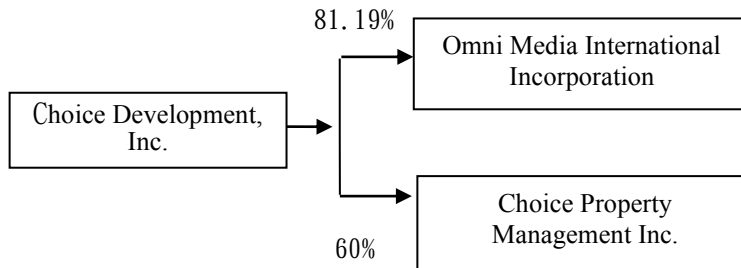
## **7. Other important matters: Nil**

## VI. Special items

### 1. Information related to the company's affiliates

(1) the consolidated business report

#### A. Affiliate Organization Chart



### 2. Basic information of affiliated companies

Unit: NT\$1,000

Name	Established on	Address	Paid-in Capital	Business Scope
Omni Media International Incorporation	12.02.1992	9F-9, No. 288, Sec. 6, Civic Blvd., Xinyi Dist., Taipei City	658,286	Media advertisement
Choice Property Management Inc.	12.20.2019	9F, No. 288, Sec. 6, Civic Blvd., Xinyi Dist., Taipei City	50,000	Urban renewal and reconstruction

3. Information on the same shareholders who are presumed to be in a controlling and subordinate relationship: None

4. The industries covered by the business operated by the affiliates overall and the mutual dealings and division of work among such affiliates

Name	controlling (subordinate) company	controlling (subordinate) relationship	The businesses operated by individual affiliates and the mutual dealings and division of work among such affiliates
Choice Development, Inc.	controlling company	shareholding control	Engaged in plate making, printing, bookbinding, packaging material printing, etc.
Omni Media International Incorporation	subordinate company	shareholding control	Media advertisement
Choice Property Management Inc.	subordinate company	shareholding control	Urban renewal and reconstruction

5. Information on Directors, Supervisors and General Managers of affiliated companies

Name of enterprise	Title	Name or representative	Shareholding	
			Shares	Holding ratio
Omni Media International Incorporation	Chairman	Legal representative of Choice Development, Inc.:Chiu Ching-Jui	53,444,341	81.19%
	Director	Legal representative of Choice Development, Inc.:Chen, Chia-Hsiu		0
	Director	Legal representatives of Choice Development, Inc.:Kao, Chih-Ting	0	
	Supervisor	Chiu Hsi-Wen		
Choice Property Management Inc.	Chairman	Legal representative of Choice Development, Inc. :Chang Shih-Kui	3,000,000	60%
	Director	Legal representative of Choice Development, Inc.: Chen, Hung-Pin	500,000	10%
	Director	Legal representative of Yurui Development Co., Ltd.:Sun Yu-Chang	0	0
	Supervisor	Huang Chih-Kai		

6. Operational overview of affiliated companies (December 31, 2024)

Unit: NT\$1,000

Name of enterprise	Capitalization	Assets Total Value	Liabilities Total amount	Net value	Business Revenue	Business Interests (loss)	Profit or loss for the period (loss)	Earnings per share (loss) (NT\$)
Omni Media International Incorporation	658,286	1,067,999	1,002,021	65,978	170,645	(9,180)	(39,195)	(0.60)
Choice Property Management Inc.	50,000	34,278	9,620	24,658	0	(8,394)	(8,004)	(1.60)

(2) Consolidated Financial Statements Covering Affiliated Enterprises

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Choice Development, Inc. as of and for the year 2024 (from January 1, to December 31, 2024), under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Financial Statements and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Choice Development, Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company: Choice Development, Inc.



Director: Chen, Hui-Yu

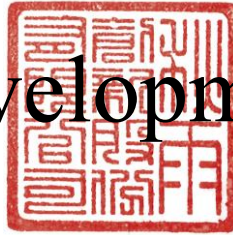


March 12, 2025

(3) Reports on Affiliations: N/A

2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Nil
3. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Nil
4. Other matters that require additional description: Nil
5. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Nil

Choice Development, Inc.



Chairman: Chen, Hui-Yu

