

Buima Group Inc.
(Formerly: Chongyou Co., Ltd.)

2023
Annual Report

MOPS: <http://mops.twse.com.tw>
COMPANY WEBSITE: <https://www.buimagroup.com>
Print on May 29, 2024

1. **Name, title, phone number and email address of the Company's spokesperson and deputy spokesperson**

Spokesperson: ZHUANG, HONG-WEI

Title: President

Tel: +886-2-2508-0656

Email: harvey.chuang@buimagroup.com

2. **Address and phone number of the head office, branch offices, and factories**

Name	Address	Tel
Headquarters	The Grand Pavilion Commercial Centre , Oleander Way , 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	+886-2-2508-0656
Buima Group Inc. Taiwan Branch (Cayman Islands)	7F.-2, No. 283, Songjiang Rd., Zhongshan Dist., Taipei City	+886-2-2508-0656
Syntech Holding Co.,Ltd	P.O.Box957,Offshore Incorporations Center Road Town,Tortola,British Virgin Islands	+886-2-2508-0656
Buima Holding Hong Kong Ltd.	2702-03,C.C. Wu Building 302-8 Hennessey Road Wan Chai, Hong Kong	+886-2-2508-0656
Buima Holding Ltd.	Flat/Rm43 T/F Sino Industrial Plaza 9,Kai Cheung RD Kowloon Bay, Hong Kong	+886-2-2508-0656
Hongji International Trade (Shanghai) Co., Ltd.	Room 1115A, Building 1, No.18 Taigu Road, China (Shanghai) Pilot Free Trade Zone	+86-21-57784292
OWA Metallic Pte.Ltd.	50 Raffles Place #08-00 Singapore Land Tower Singapore 048623	+886-2-2508-0656
Xingtie New Building Materials (Shanghai) Co., Ltd.	No. 488, Rongxing Road, Songjiang District, Shanghai	+86-21-57784292
Ouhuama New Type Building Materials (Shanghai) Limited Company (Shanghai Plant)		+86-21-57784278
Buima (China) New Building Materials Co., Ltd. (Zhenjiang Plant)	No. 66, Hengyuan Road, Dantu District, Zhenjiang City, Jiangsu Province	+86-511-85595900
Unitory International Co., Ltd.	Diamond Twin Tower Office 19F No.2 Koh Pich, St Sopheak Mongkol Rd, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh, Cambodia.	+855-96-876-7525
Buima Energy Co., Ltd.	7F.-2, No. 283, Songjiang Rd., Zhongshan Dist., Taipei City	+886-2-2508-0656
Li Chu Power Co., Ltd.	7F.-2, No. 283, Songjiang Rd., Zhongshan Dist., Taipei City	+886-2-2508-0656
Lian Ting Construction Co., Ltd.	No. 5, Tongliao Ln., Dashe Dist., Kaohsiung City	+886-7-3561-828
JOULES MILES CO., LTD.	10F., No. 1-26, Kuojian Rd., Qianzhen Dist., Kaohsiung City	+886-7-815-7868
Shin Jin Company Limited	7F.-2, No. 91, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City	+886-7 333 6056

3. **Name, address, website and phone number of the stock transfer agent**

Name: Mega Securities Shareholder Services Department

Address: 1F., No. 95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City

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

Tel: 02-3393-0898

4. **Name of CPAs, name, address, website and phone number of the accounting firm for the financial statements of the most recent year**

Names of CPAs: 2023: QIU, ZHAO-XIAN and WU, JIAN-ZHI / 2024: WU, JIAN-ZHI and ZHI, BING-JUN

Name of Accounting Firm: PwC Taiwan

5. **The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities:**

None.

6. **Official Website of the Company:**

<https://www.buimagroup.com/>

7. **Litigation and non-litigation agents in the Republic of China:**

Name: ZHANG, JIAN-ZHI

Tel: 02-2508-0656

Title: Chairman

Email: ivan.chang@buimagroup.com

8. **Board of Directors List**

Title	Name	Nationality	Main Experience:
Chairperson	ZHANG, JIAN-ZHI	Taiwan	Managing Vice President, Dongxiu Ceramics Co., Ltd. CFO of Shanghai Xikui Electronic Technology Co., Ltd. President and CFO of Buima Group Inc. Chairperson of CHEE SHING INVESTMENT LTD. Chairperson of Ouhuama New Type Building Materials (Shanghai) Limited Company Chairperson of Buima (China) New Building Materials Co., Ltd. Juristic person representative director of Hongji International Trade (Shanghai) Co., Ltd. Juristic person representative director of Xingtie New Building Materials (Shanghai) Co., Ltd. Juristic person representative director of Buima (Shanghai) New Materials Co., Ltd.
Director	CHEN, DI-SHENG	Taiwan	Vice President of Cathay Securities Corporation Lecturer of Elite Seminar at Taiwan Academy of Banking and Finance Director of Grand Cathay Venture Capital III Co., Ltd. Chairperson of Buima Energy Co., Ltd. Chairperson of GWA Energy, Inc. Representative of juristic person director of Lian Ting Construction Co., Ltd. Representative of juristic person director, Joules Miles Co., Ltd. Representative of juristic person director of Buima New Building Materials (China) Ltd. Chairperson of Li Chu Power Co., Ltd. Director of Wellnesscare Co., Ltd. Representative of juristic person director of PowerGain Technology Corporation Limited
Director	LIN, JIAN-XING	Taiwan	President of Tuo Han Capital Co., Ltd. Vice President of Primax Electronics Ltd. Independent Director of Genius Electronic Optical Co., Ltd. Representative of juristic person director, Ouhuama New Type Building Materials (Shanghai) Limited Company
Director	ZHUANG, HONG-WEI	Taiwan	Director of Sales Department, Jochu Technology Co., Ltd. Sales Vice President of STL Technology Co., Ltd. President and Director, Buima Group Inc. President of Ouhuama New Type Building Materials (Shanghai) Limited Company President of Joules Miles Co., Ltd. President of Buima Energy Co., Ltd. Representative of juristic person director, GWA Energy, Inc.
Independent Director	ZHENG, CHUN-REN	Taiwan	Deputy Director, Department of Listing, Taiwan Stock Exchange Corporation President and Director of Sentelic Corporation Independent Director, Member of Audit Committee and Member of Remuneration Committee of ANJI Technology Co., Ltd. Independent Director, Member of Audit Committee and Member of Remuneration Committee of Keding Enterprises Co., Ltd.
Independent Director	LIN, CHUN-MAO	Taiwan	Citibank Branch Manager and Vice President Vice President of the High-Net-Worth Client Division, Union Bank of Switzerland Independent Director, Tacheng Real Estate Co., Ltd. Independent Director, Astro Corp. Chairman, Natures Bank Exchange Co., Ltd. CEO, Top Jade Family Office Limited
Independent Director	XUE, BING-JUN	Taiwan	Attorney, PCL TransAsia Law Offices Specialist, Continental Holdings Corporation Director, Jun Ding Law Firm Specialist, Taiwan High Speed Rail Corporation

Buima Group Inc.

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I. Letter to Shareholders

Please refer to the Chinese version of the annual report

II. Company Profile

1. Company and Group Overview

(1) Establishment date and group overview:

Buima Group Inc. was established on November 10, 2009, in the Cayman Islands. Our business is divided into four major divisions: energy-efficient building materials, construction engineering, lithium battery modules, and energy solutions. In recent years, we have actively integrated technology with traditional industries, expanding from building materials and construction to battery modules and energy management. This strategic move has significantly enhanced our operational synergies. We are committed to investing in Taiwan and continuing our focus on innovation.

Our associated companies include Syntech Holding Co., Ltd., Buima Holding Limited, Unitory International Co. Ltd., Lian Ting Construction Co., Ltd., JOULES MILES CO., LTD., PowerGain Technology Corporation Limited, Shin Jin Company Limited, Buima Energy Co., Ltd., Li Chu Power Co., Ltd., Buima Holding Hong Kong Limited, Hongji International Trade (Shanghai) Co., Ltd., Buima (China) New Building Materials Co., Ltd., OWA Metallic Pte. Ltd., Xingtie New Building Materials (Shanghai) Co., Ltd., Ouhuama New Type Building Materials (Shanghai) Limited Company, Buima (Shanghai) New Materials Co., Ltd., Shanghai Getao Construction Engineering Co., Ltd., and Buima (Shenzhen) New Materials Co., Ltd.

The “Energy-Efficient Building Materials Business Group” is mainly engaged in the R&D, design, production, and sales of suspended ceiling keels, metal partition walls, and metal ceilings. As a professional metal product supplier, its sales region mainly covers Europe and Asia, and its products are primarily used in airports, subway stations, commercial office buildings, hospitals, pharmaceutical factories, electronics factories, and machine rooms, etc.

The “Construction Engineering Business Group” mainly undertakes energy-related construction projects (Fishery-PV), government public works, and new social housing projects.

The “Lithium Battery Module Business Group” is primarily engaged in the R&D, production, manufacturing, and sales of lithium battery modules. Among them, precision battery modules are mainly used in smart watches, serving as the battery module supplier for leading sports wearable devices. The customized lithium battery modules cover a wide range of products including LEV light vehicles (electric bicycles, electric scooters), backup power and energy storage equipment (BBU/ESS), and applications in industrial, medical, and automotive fields. With many years of experience and perfect quality as the foundation, the Company is committed to providing battery modules for all-round industries while continuously improving product safety and R&D capabilities.

The “Energy Solutions Business Group” primarily focuses on the new business domains of “energy storage” and “energy usage.” Its product offerings include distributed energy storage products like the B.E.S.T (Buima Energy Storage Tile) and the E-dReg, an “Enhanced Dynamic Frequency Regulation Reserve Capacity Auxiliary Service,” for site construction and maintenance operations. Additionally, in 2023, the product line was expanded to include “Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems.”

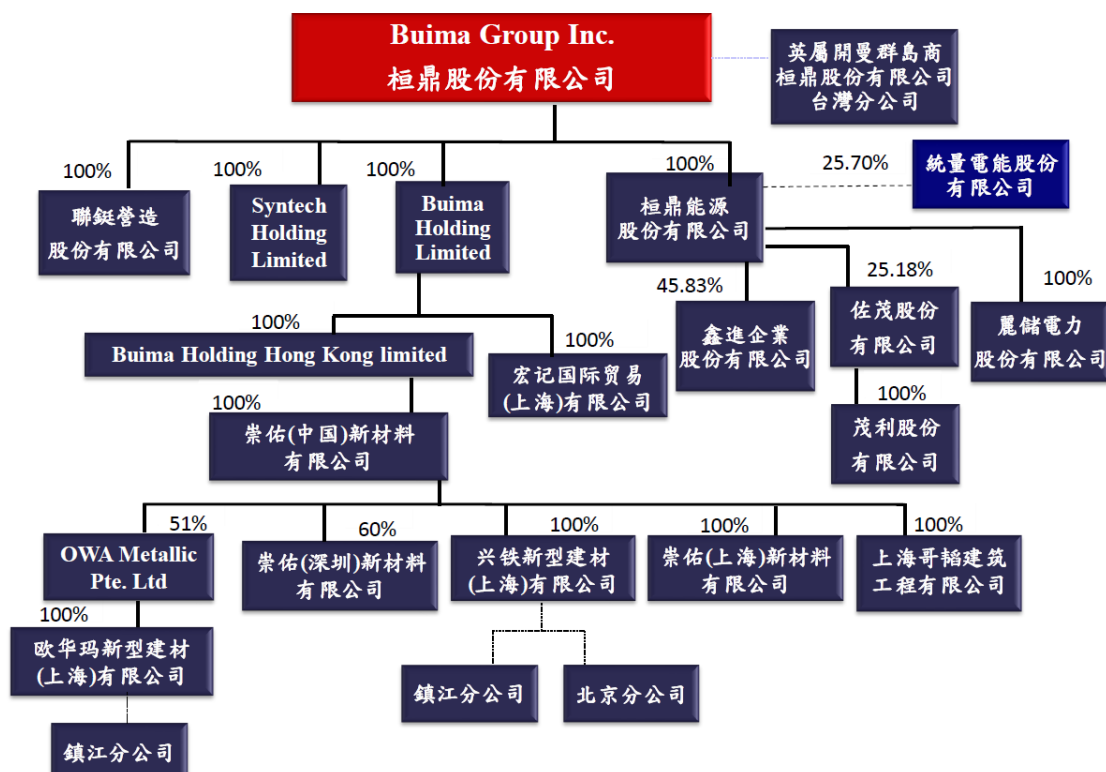
The B.E.S.T product employs Lithium Iron Phosphate (LFP) battery cells from a major Japanese battery manufacturer, featuring a hand-held wall panel system with serial and parallel connections, integration of battery module hardware and software, and a quick-install building material structure. It holds nearly ten key patents in wall energy storage and complies with international energy storage safety standards such as UL9540a, UL1973, IEC62619, IEC60730, and UL38.3. It boasts numerous exceptional product characteristics, including fire-retardant, rust-proof, water-proof, and explosion-proof properties. The specifications for a single energy storage wall are 900mm x 900mm x 67mm, identical to standard building material wall panel dimensions, with a storage capacity of 4kWh and more than 10,000 charge-discharge cycles.

Not only is this product the thinnest on the market, but its wall-mounted design also allows for easy installation. The wall’s surface is finished with a baked paint, catering to diverse aesthetic themes. It represents a new type of distributed energy storage product that can be connected in series or parallel, enhancing storage capacity and stepping up to high voltage. Coupled with an excellent energy storage wall control system and an EMS energy management system, it can monitor battery temperature, voltage/current status, and analyze off-peak/peak electricity usage in real-time. This new generation energy storage solution can

flexibly adjust to various spaces and demands, including residential, commercial, industrial, and electric vehicle fast-charging storage, serving as an uninterruptible power supply and voltage backup while forming a virtual grid, realizing power liberalization and enhancing grid resilience.

The “Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems” product line integrates E-bike electric control technologies. Centered around a lithium iron battery module and featuring an industry-leading dual motor system for electric tricycles, this line incorporates a “four-electric” system—electric control, battery, motor, and electrical change. This system expands the application market for electric bicycles and tricycles, distinguishing itself from traditional bicycles by incorporating smart technologies. We use big data to collect data on individual electric bicycle mileage, user preferences, and gear-shifting sensors, thus advancing the electric bicycle industry to track carbon footprints and align with international ESG sustainability goals.

(2) Group Structure



(3) Risk Factors: Please refer to Section VII, Review of Financial Conditions, Operating Results, and Risk Management.

2. Company History

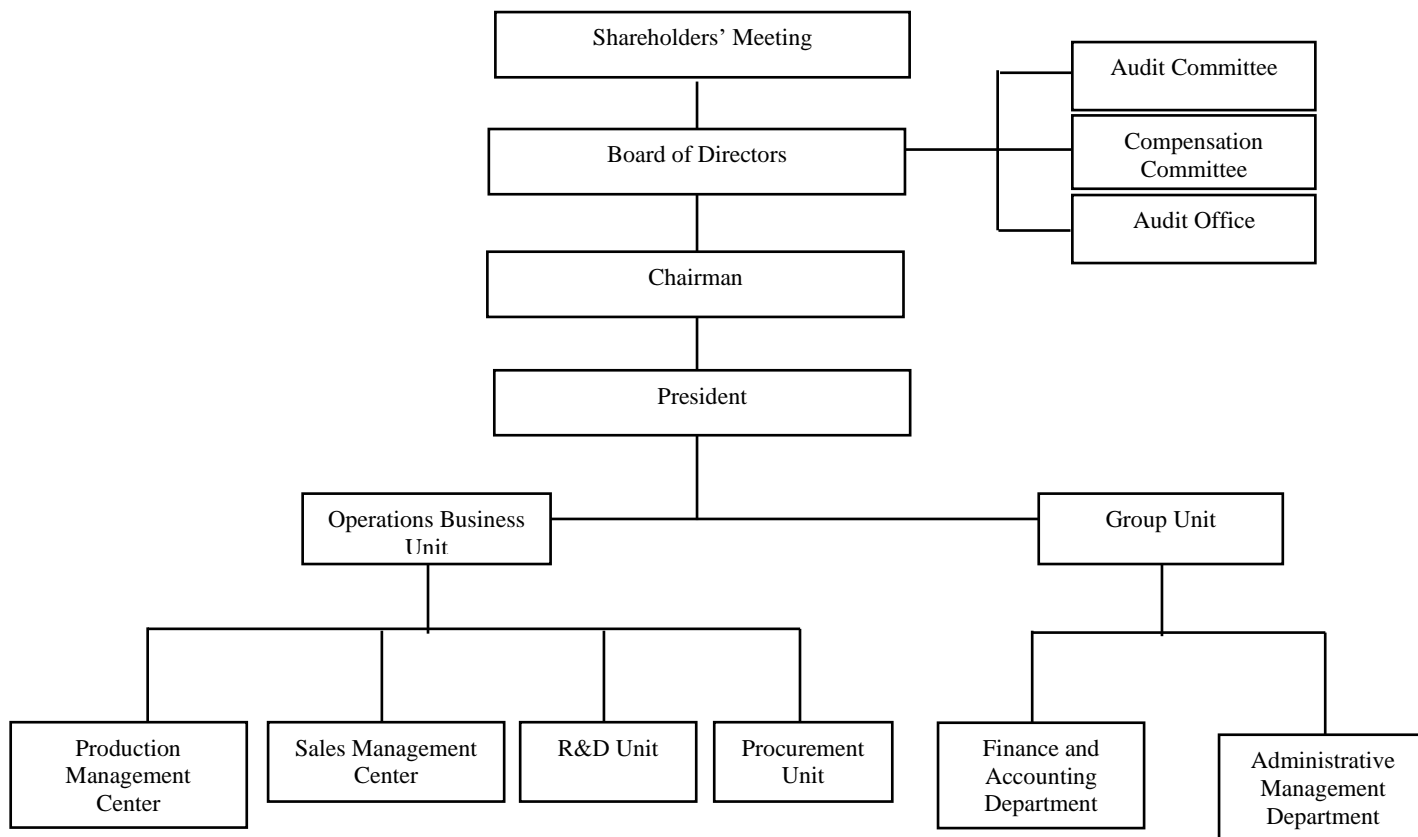
Date	Events
2002/06	Xingtie New Building Materials (Shanghai) Co., Ltd. was officially registered, with a registered capital of US\$3 million. The company mainly produces metal partition walls and has created its own brand, SYNTEX.
2005/04	The Company signed a joint venture agreement with the well-known European building materials company, OWA (Odenwald Faserplattenwerk GmbH).
2005/08	Ouhuama New Type Building Materials (Shanghai) Limited Company was officially registered, with a registered capital of US\$2.4 million. The company mainly produces suspended ceiling keels.
2007/12	Jiangsu Buima (Shanghai) New Materials Co., Ltd. was officially registered, with a registered capital of US\$10 million. The company primarily produces metal ceiling panels and currently owns powder coating lines and the world's most advanced Salvagnini bending center.
2012/11	Xingtie New Building Materials (Shanghai) Co., Ltd. obtained certification for high-tech industries.
2013/05	The company won the bid for the ceiling decoration project of Nanjing Metro Line 3 station, with a total project price of approximately RMB12.31 million. It was expected to be completed in October 2015.
2014/01	The company won the bid for the interior decoration project of Huatai Securities Square, with a total project price of RMB20.14 million. The project was completed in April 2015.
2014/03	The expansion of Jiangsu Buima's factory was completed, with the factory covering an area of approximately 10,000 square meters.
2014/04	Xingtie New Building Materials (Shanghai) Co., Ltd.'s Zhenjiang plant and Jiangsu Buima New Materials Co., Ltd. merged.
2014/10	Ouhuama New Type Building Materials (Shanghai) Limited Company obtained certification for high-tech industries.
2015/10	The company won the bid for the ceiling decoration project of Nanjing Metro Line 3 station, which started in May 2013, with a total project price of approximately RMB12.31 million.
2016/05	The company was officially listed over the counter on May 9, with the underwriting price issued at \$22 per share. The lead underwriter was Cathay Securities.

Date	Events
2016/08	For long-term business expansion needs, on August 4, the board of directors repealed the establishment of an office in India and instead established a wholly-owned subsidiary.
2017/08	In order to save interest expenses, reduce financial burdens, improve the financial structure, and enhance short-term debt repayment capacity, the company increased capital through a cash injection and issued new shares, which were officially listed over the counter on November 27.
2018/12	To expand production and increase capacity, the company planned to purchase land and build new factories in Zhenjiang, Jiangsu Province. Therefore, the company increased capital through a cash injection and issued new shares, which were officially listed over the counter on December 24.
2020/07	The Company increased its investment in Taiwan by investing NT\$300 million to acquire “Lian Ting Construction Co., Ltd.”, which has a class A construction factory.
2020/09	Chongyou Co., Ltd. officially changed its name to “Buima Group Inc.”
2020/10	The Company won the “Kaohsiung Port Seventh Container Center Project”, with a total project price of NT\$502 million.
2020/12	The Company won the “TaiSalt Green Energy Co., Ltd. Yizhu Fish-Electricity Coexistence Project in Chiayi”, with a total project price of NT\$308 million.
2021/07	The Company issued the “First Secured Convertible Corporate Bond in Taiwan” with a face value of NT\$200 million, which was available for trading at securities firms from July 12, 2021.
2021/07	The Company issued the “Second Unsecured Convertible Corporate Bond in Taiwan” with a face value of NT\$100 million, which was available for trading at securities firms from July 13, 2021.
2021/09	The Company invested in “JOULES MILES CO., LTD.”, which has 25 years of experience in the design and manufacture of lithium battery modules, entering the energy battery industry.
2021/09	To repay bank loans and replenish operating capital, the Company issued new shares through a cash increase and officially listed over the counter on September 9, 2021.
2021/10	The Company won the “Renwu District Renwu Housing Social Housing New Construction Turnkey Project in Kaohsiung City”, with a total project price of NT\$12.668 billion.
2022/03	The board of directors approved an investment in “Shin Jin Company Limited”, which is mainly engaged in steel trading, to improve the supply chain of the group’s innovative products.
2022/07	The Company won the “Construction Project of Gangshan Sports Center”, with a total project price of NT\$228 million.
2022/10	To save interest expenses, replenish operating capital, reduce financial burdens, improve the financial structure, and strengthen short-term debt repayment capacity, the Company issued new shares through a cash increase and officially listed over the counter on May 15, 2023.
2022/10	The Company issued the “Third Unsecured Convertible Corporate Bond in Taiwan” with a face value of NT\$100 million, which was available for trading at securities firms from December 14, 2022.
2022/10	The Company issued the “Fourth Unsecured Convertible Corporate Bond in Taiwan” with a face value of NT\$100 million, which was available for trading at securities firms from February 21, 2023.
2023/02	The Company increased its investment in Taiwan by injecting NT\$212 million into its wholly-owned subsidiary “Buima Energy Co., Ltd.”, and adjusted its investment structure by transferring “JOULES MILES CO., LTD.” and “Shin Jin Company Limited” to this subsidiary to vertically integrate related resources and expand synergies.
2023/04	The Company won the bid for the electromechanical installation project of the JieTai New Type High-Efficiency Battery Construction Special Project, which started in May 2023, with a total project price of approximately RMB67.4 million.
2023/06	Acquired the invention patent for the “Stackable Energy Storage Panel Structures” for energy storage walls.
2023/07	Our wholly-owned subsidiary “Buima Energy Co., Ltd.” invested in “Gwa Energy Inc.”, which has 17 years of experience in power system solutions, enhancing the integration of the “Four Electric” system components (battery, motor, electric control) for electric vehicles and the group’s product supply chain.
2023/07	Secured the “Stack 8-2 and 9-2 Roof Waterproofing and Facade Renovation with Enhanced Travel Functionality Integration Project,” with a total project value of NT\$555 million.
2023/12	Invested in “Li Chu Power Co., Ltd.” to execute the E-dReg (Enhanced Dynamic Frequency Regulation Reserve Capacity Auxiliary Services) energy storage project, handling both the setup and maintenance services.

III. Corporate Governance Report

1. Organization

(1) Organization chart



(2) Operations implemented by major departments:

Department	Responsibilities
Chairman	<ul style="list-style-type: none"> ➤ Preparation of Board of Directors and shareholder meetings, and expansion of external public relations. ➤ Planning of the Company's annual public relations affairs, custody of seals and certificates, and guarantees.
President	<ul style="list-style-type: none"> ➤ Formulation and promotion of strategic plans, operating policies and goals, planning of management meetings, and follow-up supervision of resolutions, promotion and supervision of various management regulations. ➤ Supervision of new business development, and external statements.
Audit Office	<ul style="list-style-type: none"> ➤ Execution of internal audit operations, and improvement of operational processes. ➤ Evaluation of the integrity, rationality and effectiveness of the company's internal control system and departmental implementation.
Administrative Management Department	<ul style="list-style-type: none"> ➤ Responsibility for establishing and improving the human resources management system. ➤ Procurement of stationery, consumables, and expense assets. ➤ Personnel recruitment, attendance assessment, payroll distribution, and other personnel operations. ➤ Employee welfare, and education and training operations. ➤ General affairs operations. ➤ Information and information security operation management.
Financial Accounting Department	<ul style="list-style-type: none"> ➤ Establishment of accounting system by the accounting unit, accounting business and personnel management, accounting treatment of various accounts and taxes. ➤ Cashier, wealth management, capital scheduling and planning by the financial unit.
Sales Management Center	<ul style="list-style-type: none"> ➤ Overseas market research and investigation, formulation of marketing strategies, and development and control of markets. ➤ Customer credit investigation, formulation of credit limits, and control of credit limits. ➤ Review and suggestions of sales targets and strategies.
Production Management Center	<ul style="list-style-type: none"> ➤ Management of product production plans, production technology, product manufacturing, schedule management, site management, warehouse management and workplace environmental safety and other related matters. ➤ Formulation of factory operation efficiency, cost analysis and improvement plan.
R&D Unit	<ul style="list-style-type: none"> ➤ Energy-saving metal building materials: The product design department is mainly responsible for market research, planning and design, review and establishment of standardized operations for new building materials products such as ceiling keel, metal partition walls, and metal ceilings. The process engineering department is mainly responsible for improving production technology, improving line efficiency, and introducing and implementing new process technologies. ➤ Lithium battery modules: In response to the ever-changing cell and module technology, the R&D department pursues the highest energy efficiency and maintains high safety and stability. It is responsible for development cycle, product verification, safety regulation certification, close communication with cell manufacturers and system manufacturers, co-design and innovation with customers to meet the diverse requirements of customers and new types of lithium battery module applications.
Procurement Unit	<ul style="list-style-type: none"> ➤ Responsible for the procurement of raw materials and management of suppliers.

2. Director, Supervisor, President, Vice President, Assistant Manager and Heads of Departments and Branch Organizations

(1) Directors and supervisors

1. Directors' and supervisors' information

April 8, 2024 Unit: thousand shares

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Other officers, directors or supervisors who are spouses or within two degrees of kinship.			Remark
							Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%			Title	Name	Relation	
Chairperson	R.O.C.	ZHANG, JIAN-ZHI	M 41~50	2023/ 06/30	3	2018/ 05/29	1,500	4.02	1,600	4.07	136	0.35	2,967 (Note)	7.55 (Note)	Bachelor of Accounting, Feng Chia University Managing Vice President, Dongxiu Ceramics Co., Ltd. CFO of Shanghai Xikui Electronic Technology Co., Ltd. President and CFO of Buima Group Inc. Chairperson of CHEE SHING INVESTMENT LTD.	Chairperson of Buima Group Inc. Buima (China) New Chairperson, Buima (China) New Building Materials Co., Ltd. Chairperson, Ouhuama New Type Building Materials (Shanghai) Limited Company Chairperson, CHEE SHING INVESTMENT LTD. Juristic person representative, Buima Energy Co., Ltd. Juristic person representative, Lian Ting Construction Co., Ltd. Juristic person representative, Buima (Shanghai) New Materials Co., Ltd. Juristic person representative, Xingtie New Building Materials (Shanghai) Co., Ltd. Juristic person representative, Hongji International Trade (Shanghai) Co., Ltd.	—	—	—	—
Director	R.O.C.	LIN, JIAN- XING	M 61~70	2023/ 06/30	3	2015/ 04/10	1,495	4.01	1,495	3.81	—	—	—	—	Department of Shipping Management, China Maritime College President of Tuo Han Capital Co., Ltd. Vice President of Primax Electronics Ltd.	Director of Buima Group Inc. Juristic person representative, Buima (China) New Building Materials Co., Ltd. Juristic person	—	—	—	—

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Other officers, directors or supervisors who are spouses or within two degrees of kinship.			Remark
							Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%			Title	Name	Relation	
																representative, Ouhuama New Type Building Materials (Shanghai) Limited Company Independent Director, GENIUS ELECTRONIC OPTICAL CO., LTD.				
Director	R.O.C.	CHEN, DI- SHENG	M 41~50	2023/ 06/30	3	2018/ 05/29	1,473	3.95	1,473	3.95	—	—	—	—	Master in Accounting and Management Decision, EMBA, National Taiwan University Bachelor of Finance and Banking, Tamkang University Vice President of Cathay Securities Corporation Elite Seminar Lecturer, Taiwan Academy of Banking and Finance Director of Grand Cathay Venture Capital III Co., Ltd.	Director of Buima Group Inc. Chairperson, Buima Energy Co., Ltd. Chairperson, Gwa Energy Inc. Chairperson, Li Chu Power Co., Ltd. Juristic person representative, Lian Ting Construction Co., Ltd. Juristic person representative, JOULES MILES CO., LTD. Juristic person representative, Buima (China) New Building Materials Co., Ltd. Director, Wellnesscare CO., LTD. Juristic person representative, PowerGain Technology Corporation Limited	—	—	—	—
Director	R.O.C.	ZHUANG, HONG-WEI	M 41~50	2023/ 06/30	3	2023/ 06/30	311	0.83	397	1.06	33	0.09	-	-	Master of Finance, College of Management, National Taiwan University Bachelor of Industrial Design, Taipei University of Technology Sales Vice President of STL Technology Co., Ltd. Director of Sales Department, Jochu Technology Co., Ltd.	Director and President of Buima Group Inc. Juristic person representative and President, Buima Energy Co., Ltd. Juristic person representative and President, JOULES MILES CO., LTD. Juristic person representative, Gwa Energy Inc.	—	—	—	

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Other officers, directors or supervisors who are spouses or within two degrees of kinship.			Remark
							Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%			Title	Name	Relation	
Independent Director	R.O.C.	ZHENG, CHUN-REN	M 61~70	2023/ 06/30	3	2020/ 05/18	—	—	—	—	—	—	—	—	Master in Accounting and Management Decision, College of Management, National Taiwan University President of Sentelic Corporation Deputy Director, Department of Listing, Taiwan Stock Exchange Corporation	Independent Director of Buima Group Inc. Director, Sentelic Corporation Independent Director, ANJI TECHNOLOGY CO., LTD. Independent Director, Keding Enterprises Co., Ltd.	—	—	—	—
Independent Director	R.O.C.	XUE, BING-JUN	M 41~50	2023/ 06/30	3	2020/ 05/18	—	—	—	—	40	0.1	—	—	Lawyer, Yuan He Law Firm Attorney, PCL TransAsia Law Offices Specialist, Continental Holdings Corporation Lawyer, Liang & Partners Law Offices Specialist, Taiwan High Speed Rail Corporation	Independent Director of Buima Group Inc. Director, Jun Ding Law Firm	—	—	—	—
Independent Director	R.O.C.	LIN, CHUN- MAO	M 51~60	2023/ 06/30	3	2023/ 06/30	—	—	—	—	—	—	—	—	Doctorate in Finance, Feng Chia University Master of Finance, National Chung Hsing University Citibank Branch Manager and Vice President Vice President of the High- Net-Worth Client Division, Union Bank of Switzerland	Independent Director of Buima Group Inc. Independent Director, Tacheng Real Estate Co., Ltd. Independent Director, Astro Corp. Chairman, Natures Bank Exchange Co., Ltd. CEO, Top Jade Family Office Limited	—	—	—	—

Note: ZHANG, JIAN-ZHI holds 100% of CHEE SHING INVESTMENT LTD., which owns 2,967,240 shares of Huan Ding Corporation, representing a 7.55% shareholding.

2. Major shareholders of the corporate shareholders:

Name of corporate shareholder	Major shareholders of the corporate shareholder
CHEE SHING INVESTMENT LTD.	ZHANG, JIAN-ZHI(100%)

3. Majority shareholder of a corporation whose principal shareholder is a corporation: None.

4. Professional qualifications and independence analysis of directors and supervisors:

Criteria Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
ZHANG, JIAN-ZHI	<ol style="list-style-type: none"> Possesses work experience in finance, business, and corporate operations, along with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and accounting finance. Graduated from Feng Chia University with a degree in Accounting. Experienced as the Managing Vice President at Dongxiu Ceramics Co., Ltd., Chief Financial Officer (CFO) at Shanghai Xikui Electronic Technology Co., Ltd., CFO and President at Buima Group Inc., and Chairperson at CHEE SHING INVESTMENT LTD. Does not have any of the disqualifications listed under Article 30 of the Company Act. 	There are no conditions specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Furthermore, none of the current directors are spouses or relatives within the second degree of kinship.	0
LIN, JIAN-XING	<ol style="list-style-type: none"> Possesses work experience in business and corporate operations, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, and decision-making abilities. Graduated from the China Maritime Institute, with experiences as the President of Tuo Han Capital Co., Ltd., and Deputy General Manager at Primax Electronics Ltd. Does not have any of the disqualifications listed under Article 30 of the Company Act. 	There are no conditions specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Furthermore, none of the current directors are spouses or relatives within the second degree of kinship.	1

CHEN, DI-SHENG	<ol style="list-style-type: none"> 1. Possesses work experience in business and corporate operations, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, and decision-making abilities. 2. Graduated from the EMBA program in Accounting and Management Decision at National Taiwan University, with experiences including Assistant Manager at Investment Banking Division, Fubon Securities Co., Ltd., Department Head/Deputy General Manager at Cathay Securities Corporation Capital Market Division, Elite Lecturer at Taiwan Academy of Banking and Finance, Community College Lecturer at Securities and Futures Institute, and Director at Grand Cathay Venture Capital III Co., Ltd. 3. Does not have any of the disqualifications listed under Article 30 of the Company Act. 	There are no conditions specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Furthermore, none of the current directors are spouses or relatives within the second degree of kinship.	0
ZHUANG, HONG-WEI	<ol style="list-style-type: none"> 1. Possesses work experience in business and corporate operations, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, and decision-making abilities. 2. Graduated from the EMBA Finance program at National Taiwan University, with experiences as the Business Division Head at Jochu Technology Co., Ltd., and Deputy General Manager of Business at STL Technology Co., Ltd. 3. Does not have any of the disqualifications listed under Article 30 of the Company Act. 	There are no conditions specified under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Furthermore, none of the current directors are spouses or relatives within the second degree of kinship.	0
LIN, CHUN-MAO	<ol style="list-style-type: none"> 1. Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. 2. LIN, CHUN-MAO is currently an Independent Director at Tacheng Real Estate Co., Ltd., Independent Director at Astro Corp., Chairman at Natures Bank Exchange Co., Ltd., and CEO at Top Jade Family Office Limited. 3. Has a professional background and work experience in accounting and finance, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and accounting finance. 	<ol style="list-style-type: none"> 1. Neither the director themselves nor their spouse holds shares in the company, nor do they hold shares in another person's name. 2. Apart from serving as an independent director of the company, neither the director, their spouse, nor their immediate family members are employed by the company or its associated enterprises, nor do they serve on their boards or as auditors. 3. The director is not employed by any major juristic shareholders of the company, nor do they serve on their boards or as auditors. 4. The director is not employed by a company where they or their spouse share the same position as the company's chairman or an equivalent position, nor do they serve on their boards or as auditors. 5. The director does not serve as a board member or executive of any specific company or institution that has financial or business transactions with the company, nor do they hold shares in such a company. 6. The director solely provides professional opinions as an independent director and receives compensation for this role, without providing other professional services to the group enterprises. 7. The director has no spousal or second-degree relative connections with any other director. 8. The director was elected in their personal capacity and does not have any of the disqualifications listed under Article 30 of the Company Act. <p>Upon review, the director does not have any direct or indirect interests with the company and meets the independence qualifications as set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."</p>	2

ZHENG, CHUN-REN	<ol style="list-style-type: none"> Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. ZHENG, CHUN-REN is an Independent Director with experience as General Manager at Sentelic Corporation, Deputy Head of the Listing Division at Taiwan Stock Exchange, and Deputy CFO and Executive Vice President at Sentelic Corporation. Has a professional background and work experience in accounting and finance, also well-versed in financial markets and industry status, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and accounting finance. 	<ol style="list-style-type: none"> Neither the director themselves nor their spouse holds shares in the company, nor do they hold shares in another person's name. Apart from serving as an independent director of the company, neither the director, their spouse, nor their immediate family members are employed by the company or its associated enterprises, nor do they serve on their boards or as auditors. The director is not employed by any major juristic shareholders of the company, nor do they serve on their boards or as auditors. The director is not employed by a company where they or their spouse share the same position as the company's chairman or an equivalent position, nor do they serve on their boards or as auditors. The director does not serve as a board member or executive of any specific company or institution that has financial or business transactions with the company, nor do they hold shares in such a company. The director solely provides professional opinions as an independent director and receives compensation for this role, without providing other professional services to the group enterprises. The director has no spousal or second-degree relative connections with any other director. The director was elected in their personal capacity and does not have any of the disqualifications listed under Article 30 of the Company Act. <p>Upon review, the director does not have any direct or indirect interests with the company and meets the independence qualifications as set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."</p>	2
XUE, BING-JUN	<ol style="list-style-type: none"> Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. XUE, BING-JUN is the Director at Jun Ding Law Firm, with experiences as a Lawyer at PCL TransAsia Law Offices, Officer at Continental Holdings Corporation, and Lawyer at Liang & Partners Law Offices. Has a legal professional background and work experience, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and law. 	<ol style="list-style-type: none"> The director and their spouse own less than 1% of the company's shares and do not hold any shares in another person's name. Apart from serving as an independent director of the company, neither the director, their spouse, nor their immediate family members are employed by the company or its associated enterprises, nor do they serve on their boards or as auditors. The director is not employed by any major juristic shareholders of the company, nor do they serve on their boards or as auditors. The director is not employed by a company where they or their spouse share the same position as the company's chairman or an equivalent position, nor do they serve on their boards or as auditors. The director does not serve as a board member or executive of any specific company or institution that has financial or business transactions with the company, nor do they hold shares in such a company. The director provides professional opinions solely in their capacity as an independent director and receives compensation for this role, without providing other professional services to the group enterprises. The director has no spousal or second-degree relative connections with any other director. The director was elected in their personal capacity and does not have any of the disqualifications listed under Article 30 of the Company Act. <p>Upon review, the director does not have any direct or indirect interests with the company and meets the independence qualifications as set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."</p>	0

Note 1: There are no circumstances as described in each item of Article 30 of the Company Act.

Note 2: The independent director meets independence criteria: The director and their spouse own less than 1% of the company's shares and do not hold any shares in another person's name; they do not serve as a director, supervisor, or employee of any company with a specific relationship to the company (as stipulated in Articles 3, Paragraph 1, Item 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and they have not received any compensation from the company or its associated enterprises for providing business, legal, financial, or accounting services in the past two years.

5. Board Diversity and Independence:

- (1) The board's diversity policy and its implementation are detailed on page 28 of this year's annual report.
- (2) Board independence: The Company has set up 7 seats for the board of directors, of which 3 are independent directors, accounting for 42.86% of all seats. A audit committee has been set up to replace the supervisor, and there are no spousal or kinship relationships within the second degree between directors and supervisors.

(2) President, Vice President, Heads of Departments and Branches

April 8, 2024 Unit: thousand shares

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Shares (thousands)	%	Shares (thousands)	%	Shares (thousands)	%			Title	Name	Relation	
President	R.O.C.	ZHUANG, HONG-WEI	Male	2020/08/03	397	1.01	33	0.09	-	-	Bachelor of Industrial Design, National Taipei University of Technology Sales Division Head, Jochu Technology Co., Ltd. Deputy General Manager of Sales Department, STL Technology Co., Ltd. President, Ouhuama New Type Building Materials (Shanghai) Limited Company President, JOULES MILES CO., LTD.	Juristic Person Representative and President, Buima Energy Co., Ltd. Juristic Person Representative and President, JOULES MILES CO., LTD. Juristic Person Representative, Gwa Energy Inc.	-	-	-	-
Chief Accountant	R.O.C.	HONG, JUN-TING	Male	2022/05/16	16	0.04	-	-	-	-	Institute of Accounting, Tamkang University Passed the Certified Public Accountant Examination, Republic of China Deputy Manager, PwC Taiwan Audit Division, Far Eastern New Century Corporation	-	-	-	-	-
Audit Supervisor	R.O.C.	LIN, MING-ZHI	Male	2018/12/24	-	-	-	-	-	-	Department of Law, Tunghai University Assistant Manager of Legal Affairs, Taiwan Life Insurance Co., Ltd.	-	-	-	-	-

Note: The CEO of the subsidiary, WU, ZHENG-XUN, resigned on July 1, 2023.

3. Remuneration of Directors, President and Vice Presidents (2023)

(1) Remuneration of Directors, President and Vice Presidents (2023)

Unit: NT\$ thousand

Title	Name	Compensation to Directors								Ratio of Total Compensation (A+B+C+D) to Net Income (%)	Relevant Compensation Received by Directors Who are Also Employees												Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)	Compensation from ventures other than subsidiaries or from the parent company			
		Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Professional Practice (D)			Salary, Bonus, and Special Allowance (E)		Severance Pay (F)		Employee Compensation (G)				Number of Shares Available for Subscription by Employee Stock Ownership Certificates (H)		Number of New Shares Obtained through Restricted Employee Rights						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements			The Company	All companies in the financial statements	The Company
Director	ZHANG, JIAN-ZHI	-	240	-	-	-	-	-	54	-	294 (0.002)	-	4,481	-	-	-	-	-	-	-	-	-	-	-	-	4,775 0.07	-
Director	LIN, JIAN-XING	-	240	-	-	-	-	-	54	-	294 (0.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294 (0.002)	-
Director	CHEN, DI-SHENG	-	240	-	-	-	-	-	54	-	294 (0.002)	-	1,755	-	-	-	-	-	-	-	-	-	-	-	-	2,049 (0.02)	-
Director	CHEE SHING INVESTMENT LTD. Rep: ZHUANG, HONG-WEI (Note 1)	-	120	-	-	-	-	-	30	-	150 (0.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150 (0.002)	-
Director	ZHUANG, HONG-WEI	-	120	-	-	-	-	-	24	-	144 (0.002)	-	6,162	-	99	-	-	-	-	-	-	-	-	-	-	6,261 (0.063)	-
Independent Director	ZHENG, CHUN-REN	-	240	-	-	-	-	-	54	-	294 (0.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294 (0.002)	-
Independent Director	TIAN, JIA-SHENG (Note 2)	-	120	-	-	-	-	-	30	-	150 (0.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150 (0.002)	-
Independent Director	XUE, BING-JUN	-	240	-	-	-	-	-	54	-	294 (0.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294 (0.002)	-
Independent Director	LIN, CHUN-MAO	-	120	-	-	-	-	-	24	-	294 (0.002)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	294 (0.002)	-

1. Please describe the remuneration payment policy, system, standard, and structure for independent directors, and explain the correlation between the duties, risks, time invested and the amount of remuneration paid: According to Article 103 of the Company's Articles of Incorporation, the company should distribute directors and supervisors' remuneration, which should not exceed three percent of the profit before tax after deducting employee rewards and directors and supervisors' remuneration. The amount of remuneration for directors and supervisors will vary with pre-tax profits, which should be reasonable.

2. In addition to the above disclosures, the remuneration received by the company's directors for providing services (such as serving as non-employee consultants, etc.) to all companies within the financial report in the most recent year: None.

Note 1: The director from CHEE SHING INVESTMENT LTD. did not continue in their role as a director of our company after June 30, 2023.

Note 2: The independent director, TIAN, JIA-SHENG, did not continue in their role as an independent director of our company after June 30, 2023.

Compensation Scale

Range of Compensation	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the financial statements	The Company	Companies in the financial statements
Less than NT\$1,000,000	—	ZHANG, JIAN-ZHI、LIN, JIAN-XING、CHEN, DI-SHENG、ZHUANG, HONG-WEI、ZHENG, CHUN-REN、XUE, BING-JUN、LIN, CHUN-MAO、TIAN, JIA-SHENG、CHEE SHING INVESTMENT LTD. 代表人 ZHUANG, HONG-WEI	—	LIN, JIAN-XING、ZHENG, CHUN-REN、XUE, BING-JUN、LIN, CHUN-MAO、TIAN, JIA-SHENG、CHEE SHING INVESTMENT LTD. 代表人 ZHUANG, HONG-WEI、
NT\$1,000,000~NT\$1,999,999	—	—	—	-
NT\$2,000,000~NT\$3,499,999	—	—	—	CHEN, DI-SHENG
NT\$3,500,000~NT\$4,999,999	—	—	—	ZHANG, JIAN-ZHI
NT\$5,000,000~NT\$9,999,999	—	—	—	ZHUANG, HONG-WEI
NT\$10,000,000~NT\$14,999,999	—	—	—	—
NT\$15,000,000~NT\$29,999,999	—	—	—	—
NT\$30,000,000~NT\$49,999,999	—	—	—	—
NT\$50,000,000~NT\$99,999,999	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	0	9	0	9

(2) Remuneration for supervisors: The Company has established an Audit Committee to replace supervisors, hence it is not applicable.

(3) Compensation to Presidents and Vice Presidents

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Special Allowance (C)		Employee Compensation (D) (Note)				Ratio of total compensation (A+B+C+D) to net income (%)		Number of Employee Stock Ownership Certificates Acquired		Number of Restricted Employee Rights Shares Acquired		Compensation from ventures other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	
								Cash	Stock	Cash	Stock							
Chairperson	ZHANG, JIAN-ZHI	—	7,643	—	99	—	3,000	—	—	—	—	—	10,742 (0.11)	—	—	—	—	—
President	ZHUANG, HONG-WEI																	

Compensation Scale

Range of Compensation	Names of Presidents and Vice Presidents	
	The Company	Companies in the financial statements
Less than NT\$1,000,000	—	
NT\$1,000,000~NT\$1,999,999	—	
NT\$2,000,000~NT\$3,499,999	—	—
NT\$3,500,000~NT\$4,999,999	—	ZHANG, JIAN-ZHI
NT\$5,000,000~NT\$9,999,999	—	ZHUANG, HONG-WEI
NT\$10,000,000~NT\$14,999,999	—	—
NT\$15,000,000~NT\$29,999,999	—	—
NT\$30,000,000~NT\$49,999,999	—	—
NT\$50,000,000~NT\$99,999,999	—	—
More than NT\$100,000,000	—	—
Total	0	2

- (4) Name of the manager who distributes the employee's compensation and the distribution status:

Unit: NT\$ thousand

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	Chairperson	ZHANG, JIAN-ZHI	—	-	-	-
	President	ZHUANG, HONG-WEI				

- (5) Analysis of the total remuneration paid to the Company's directors, supervisors, President and Vice Presidents in the most recent two fiscal years as a percentage of net profit after tax:

Unit: NT\$ thousand

Title	2022 Total Remuneration as a Percentage of Net Profit After Tax (%)		2023 Total Remuneration as a Percentage of Net Profit After Tax (%)	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Director	-	21.6	-	(14.70)
President and Vice President	-	19.1	-	(11.03)

Note: Net profit after tax refers to the net profit attributable to the parent company.

Note: The total director remuneration includes remuneration received by those also serving as employees, hence there is an overlap in the calculation with the total remuneration for the president and vice presidents.

The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risks:

1. Directors and Supervisors:

The remuneration of directors and supervisors includes remuneration, business execution expenses, and rewards; their remuneration and business execution expenses are determined by the Board of Directors based on the responsibilities undertaken and the contribution to the Company's performance, and by referring to industry standards to provide reasonable remuneration; director and supervisor rewards are based on the company's operating results and the results of the director's performance evaluation, and are clearly defined in Article 103 of the Company's Articles of Incorporation. If the company makes a profit for the year, up to 3% should be allocated for directors and supervisors' remuneration. The related performance evaluation and the reasonableness of remuneration have been audited by the Compensation Committee and the Board of Directors, and the remuneration system is reviewed at any time based on the actual operating conditions to achieve a balance between sustainable operation and risk control.

2. President and Vice Presidents:

The remuneration for the president, vice presidents, and managers includes salaries, retirement pensions, bonuses, and employee rewards. It is determined based on the position held, the responsibilities undertaken, the contribution to the Company, and consideration of the company's operating results, and by referring to industry standards. Employee rewards are also clearly defined in Article 103 of the Company's Articles of Incorporation. If the company makes a profit for the year, 1% to 10% should be allocated for employee rewards. The related performance evaluation and the reasonableness of remuneration assessment items, including financial indicators (such as the company's revenue, pre-tax and after-tax profit completion rates) and non-financial indicators, etc., have been audited by the Compensation Committee and the Board of Directors, and the remuneration system is reviewed at any time based on the actual operating conditions to achieve a balance between sustainable operation and risk control.

4. Implementation of Corporate Governance

(1) Operation of the Board of Directors

1. In the most recent fiscal year (2023) and up to the date of the printing of the annual report in 2024, the Board of Directors convened 8 times, and the attendance of directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remark
Chairperson	ZHANG, JIAN-ZHI	8	0	100%	
Director	LIN, JIAN-XING	8	0	100%	
Director	CHEN, DI-SHENG	8	0	100%	
Director	CHEE SHING INVESTMENT LTD. Legal Rep: ZHUANG, HONG-WEI	1	0	100%	Stepped down on June 30, 2023
Director	ZHUANG, HONG-WEI	7	0	100%	Appointed on June 30, 2023
Independent Director	TIAN, JIA-SHENG	1	0	100%	Stepped down on June 30, 2023
Independent Director	LIN, CHUN-MAO	7	0	100%	Appointed on June 30, 2023
Independent Director	ZHENG, CHUN-REN	8	0	100%	
Independent Director	XUE, BING-JUN	8	0	100%	

Other mentionable items:

- A. The operation of the Board of Directors' Meeting shall state the date and period of the Board of Directors' Meeting, the content of the motion, the opinions of all independent directors and the Company's handling of the opinions of the independent directors, if any of the following circumstances apply:
- Matters listed in Article 14-3 of the Securities Transaction Act: None.
 - Other than the matters listed above, other matters resolved by the Board of Directors at meetings of the Board of Directors at which the independent directors objected to or reserved their opinions and for which records or written statements are available: None.
- B. Implementation of the directors' abstention from voting on conflicts of interest items, should include the director's name, content of the motion, reasons for abstention from voting due to interests, and participation in voting: None.
- C. rent and most recent years (such as the establishment of an audit committee, enhancement of information transparency, etc.):
- The functions of the Board of Directors and related operations are implemented according to the "Board of Directors Meeting Rules" established by the Company, and the directors' attendance at board meetings and significant resolutions are disclosed on the public information observation platform.
 - The company regularly provides corporate governance course information and actively encourages directors to participate in continuing education.
 - The Company has a "Compensation Committee" responsible for implementing recommendations, evaluations, and oversight of the remuneration level of the company's directors and managers.

2. Implementation of the Board of Directors' evaluation

Evaluation Frequency	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
Once per year	Performance evaluation for the Board of Directors from January 1, 2023, to December 31, 2023	Board of Directors Individual board members Functional committee members	Internal Self-Assessment by the Board and Board Members	Performance evaluation of the Board of Directors Performance evaluation of individual board members Performance evaluation of functional committee members

- (2) Operational conditions of the Audit Committee or participation of supervisors in the Board of Directors operation:
1. Powers and annual work priorities of the Audit Committee:
 - (1) Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) Establishment or amendment of procedures for acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and providing endorsements or guarantees for significant financial business in accordance with Article 36-1 of the Securities Exchange Act.
 - (4) Matters involving the interests of directors themselves.
 - (5) Significant asset or derivative transactions.
 - (6) Significant loans, endorsements, or guarantees.
 - (7) Fundraising, issuance or private placement of equity-like securities.
 - (8) Appointment, dismissal or remuneration of certified accountants.
 - (9) Appointment or dismissal of financial, accounting, or internal audit managers.
 - (10) First quarter, second quarter, third quarter financial reports, and annual financial reports signed or stamped by the chairman, managers, and chief accountants.
 - (11) Other significant matters stipulated by the Company or the regulatory authorities.
 2. Up to the date of printing of the annual report in 2024, the Audit Committee convened 7 times in the most recent fiscal year (2023), and the attendance of independent directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	TIAN, JIA-SHENG	1	—	100%	Stepped down on June 30, 2023
Independent Director	ZHENG, CHUN-REN	7	—	100%	
Independent Director	XUE, BING-JUN	7	—	100%	
Independent Director	LIN, CHUN-MAO	6	—	100%	Appointed on June 30, 2023

Other mentionable items:

1. If the operation of the Audit Committee involves any of the following situations, the date of the board of directors, the term, the content of the motion, the resolution of the audit committee, and the company's handling of the audit committee's opinions should be described: None.

(1) Matters referred to in Article 14-5 of the Securities Transaction Act:

Audit Committee Term/Date	Motion Content	Audit Committee Resolution Result	The Company's handling of the Audit Committee's opinion
June 20, 2023 3rd Term, Audit Committee Meeting #2	1. Proposal for the company to provide endorsements and guarantees for its subsidiary, Buima Energy Co., Ltd.	After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company's board of directors for resolution.
August 25, 2023 4th Term, Audit Committee Meeting #1	1. Review of the financial statements for the second quarter of 2023. 2. Proposal to revoke the endorsement and guarantee provided to Lian Ting Construction Co., Ltd., previously approved by the Board on April 17, 2023.	After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company's board of directors for resolution.
November 13, 2023 4th Term, Audit Committee Meeting #2	1. Review of the financial statements for the second quarter of 2023. 2. Proposal for the company to provide endorsements and guarantees for its subsidiary, Chong You China New Materials Co., Ltd.	After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company's board of directors for resolution.
December 18, 2023 4th Term, Audit Committee Meeting #3	1. Review of the company's audit plan for 2024. 2. Review of the budget for 2024. 3. Establishment of the company's internal significant information handling procedures.	After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company's board of directors for resolution.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
March 14, 2024 4th Term, Audit Committee Meeting #4	1. Review of the annual financial statements and business report for 2023. 2. Proposal for the distribution of profits for 2023. 3. Review of the “Internal Control System Statement” for 2023. 4. Amendment of the company’s “Procedures for Acquisition or Disposal of Assets”. 5. Evaluation of the independence and suitability of the appointed certifying accountants.			After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company’s board of directors for resolution.
April 24, 2024 4th Term, Audit Committee Meeting #5	1. If the private placement approved at the shareholders’ meeting on June 30, 2024, is not executed by the deadline, the company proposes not to continue the private placement. 2. Proposal to conduct a private placement for cash capital increase by issuing new shares.			After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company’s board of directors for resolution.
May 14, 2024 4th Term, Audit Committee Meeting #6	1. Review of the financial statements for the first quarter of 2024. 2. Proposal for the renewal of endorsement and guarantee for the subsidiary, Buima Energy Co., Ltd.			After the chairman consulted with the members present, it was unanimously approved as proposed.	Reported to the Company’s board of directors for resolution.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all the directors: None.

2. If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: None.

3. Communications between the independent directors, the Company’s chief internal auditor and CPAs (including the material matters, manner and results of communication regarding the financial and business position of the Company):
The Company’s Audit Committee convened and approved related resolutions according to the “Audit Committee Organizational Rules.” The audit reports were also regularly submitted to the Audit Committee during the Company’s Audit Committee meetings. The communication with the independent directors was smooth, and irregular meetings were held with internal audits to discuss the latest status of the Company.

3. Summary of Communication Between Independent Directors and Internal Audit Manager

Date	Communication Meetings	Communication Items	Communication Results
2023/08/25	Audit Committee	1. Audit activities report for May to July 2023. 2. Substantive review report of the 2022 consolidated financial statements - Taipei Exchange Letter No.1120201295. 3. Substantive review report of the 2023 internal control system - Taipei Exchange Letter No.1120201851, report on internal control deficiencies.	Following discussion, the independent directors reported no objections to the audit activities reports. Internal control deficiencies have been corrected and recognized in the minutes of the Board of Directors meeting.
2023/11/13	Audit Committee	1. Audit activities report for August to October 2023. 2. Taipei Exchange's Letter No.1120201983 on August 10, 2023 regarding Buima Energy Co., Ltd.'s acquisition of shares in Gwa Energy Inc. not complying with practical guidelines.	After discussion and communication, the independent directors reported no objections to the audit activities report. The corrections have been made and acknowledged in the minutes of the Board meeting.
2023/12/18	Audit Committee	1. Audit activities report for November 2023. 2. Audit plan for 2024.	After discussion and communication, the independent directors reported no objections to the audit activities report. The audit plan will be submitted to the Board of Directors.
2024/03/14	Audit Committee	1. Audit activities report for January to February 2024. 2. The Company's 2023 "Internal Control System Statement" report case. 3. Revision of the Company's "Procedures for Acquisition or Disposal of Assets" case.	After discussion and communication, the independent directors reported no objections to the audit activities report. The amendment will be submitted to the Board of Directors.
2024/04/24	Audit Committee	1. Audit activities report for March 2024.	After discussion and communication, the independent directors reported no objections to the audit activities report.
2024/05/14	Audit Committee	1. Audit activities report for April 2024. 2. Taipei Exchange Letter No.1130200792 - Report on first quarter 2024 internal control deficiencies.	Following discussion, the independent directors reported no objections to the audit activities reports. Internal control deficiencies have been corrected and recognized in the minutes of the Board of Directors meeting.

4. Summary of Communication between Independent Directors and Accountants

Date	Communication Meetings	Communication Items	Communication Results
2023/08/25	Audit Committee	The auditor provided explanations and communications regarding the consolidated financial report for the second quarter of 2023.	The Audit Committee approved the second quarter financial report and submitted it to the Board of Directors for approval, and it was duly announced and reported to the regulatory authorities.
2023/11/13	Audit Committee	The auditor provided explanations and communications regarding the consolidated financial report for the third quarter of 2023.	The Audit Committee approved the third quarter financial report and submitted it to the Board of Directors for approval, and it was duly announced and reported to the regulatory authorities.
2024/03/14	Audit Committee	The auditor provided explanations and communications regarding the consolidated financial report for the year 2023.	The Audit Committee approved the annual financial report for 2023 and submitted it to the Board of Directors for approval, and it was duly announced and reported to the regulatory authorities.
2024/05/14	Audit Committee	The auditor provided explanations and communications regarding the consolidated financial report for the first quarter of 2024.	The Audit Committee approved the first quarter financial report and submitted it to the Board of Directors for approval, and it was duly announced and reported to the regulatory authorities.

(3) Corporate Governance Implementation Status and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the “Corporate Governance Best-Practice Principles”, and insists on protecting shareholder rights, strengthening the functions of the board of directors, playing the role of independent directors, respecting stakeholder rights and promoting transparency of information. We have established related corporate governance rules such as “Management of the Operation of the Board of Directors”, “Organization Rules of the Compensation Committee”, “Prevention of Insider Trading Management”, “Internal Audit Implementation Rules”, “Codes of Ethical Conduct”, “Ethical Corporate Management Best Practice Principles”, and “Sustainable Development Best Practice Principles”. Major company information is disclosed in accordance with related laws and regulations, and financial and non-financial information is regularly disclosed. The board of directors guides company operations and effectively oversees management functions according to the responsibilities bestowed by the shareholders.	None
2. Shareholding structure & shareholders’ rights (1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?		V	The Company has appointed a dedicated stock affairs agency in Taiwan to handle stock affairs and set up a spokesperson to handle shareholder suggestions. Procedures will be set up in the future to handle shareholder suggestions, doubts, disputes, and litigation matters.	In the future, the company will establish relevant internal operating procedures to handle shareholder suggestions, ambiguities, disputes, and litigation matters based on actual needs.
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		Through the stock affairs agency, we can provide actual information. The Company has also assigned a dedicated person to manage related information, who can grasp the list of major shareholders who actually control the company and the ultimate controllers of the major shareholders at any time.	None
(3) Does the Company establish the risk management and firewall system within its conglomerate structure?	V		Each related enterprise independently bears the responsibilities for asset and financial management, and follows the Company’s internal control system to implement risk control and firewall mechanisms.	None
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company has established “Insider Trading Prevention Management” to prohibit insiders from buying and selling securities with unpublicized market information.	None
3. Composition and responsibilities of the Board of Directors (1) Has the board of directors formulated a diversity policy and implemented it for its composition?	V		1. The company approved and established the “Corporate Governance Best-Practice Principles” on May 4, 2015, in the first session of the board of directors. The code has a policy for diversity. The nomination and selection of members of the company’s board of directors follow the company’s articles of association. The nomination system for candidates is used. In addition to evaluating each candidate’s academic qualifications, the opinions of stakeholders are considered. The “Director Election Method” and “Corporate Governance Best-Practice Principles” are followed to ensure the diversity and independence of the directors.	None

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
			<p>2. Regarding the composition of the seven members of the fifth term of our Board of Directors, the diverse qualifications are summarized as follows: Mr. ZHANG, JIAN-ZHI, Mr. LIN, JIAN-XING, Mr. CHEN, DI-SHENG, and Mr. ZHUANG, HONG-WEI excel in leadership, operational judgment, management, crisis handling, and possess industry knowledge and an international market perspective. Mr. XUE, BING-JUN, an Independent Director, is skilled in legal matters and specializes in the construction industry. Mr. LIN, CHUN-MAO, an Independent Director with a background in accounting and finance, previously served as Branch Manager and Vice President at Citibank Taiwan Limited. Mr. ZHENG, CHUN-REN, an Independent Director, has experience in corporate governance and management matters at the stock exchange. Each contributes significantly to our company. For a detailed assessment, please refer to Attachment 1.</p> <p>3. The proportion of Directors who are also employees of the company is 43%, with Independent Directors also making up 43%. One Independent Director has less than three years of tenure, two Directors are over the age of 60, one Director is aged between 51 and 60, and four Directors are aged between 41 and 50.</p> <p>4. The Board has developed a policy on diversity of its members, which is disclosed on the company’s website and the MOPS.</p>	
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?		V	The company currently has a salary and compensation committee and an audit committee. In the future, it will consider establishing other functional committees based on actual needs.	The company will consider establishing other functional committees in the future based on actual needs.
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection?		V	The company will establish a performance evaluation method for the board of directors in the future to conduct regular performance evaluations of the board of directors.	The plan will be determined based on future requirements.
(4) Does the Company regularly evaluate the independence of CPAs?	V		The company’s auditors will conduct an annual regular evaluation of the independence of the signing accountants, and then report the evaluation results to the board of directors. The most recent evaluation was approved by the audit committee on March 24, 2022, and was approved by the board of directors on the same day. For the evaluation mechanism, please refer to Annex II after this table.	None
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work	V		The company, at the board of directors meeting on May 16, 2022, appointed the chief financial officer HONG, JUN-TING as the corporate governance officer, responsible for corporate governance related matters and protecting shareholder rights and enhancing the functions of the board of directors. The officer has more than three years of supervisory experience in legal, financial, shareholder affairs, or corporate governance-related units in publicly listed companies. His main duties include handling matters related to the board of directors and shareholders’ meetings in accordance with the law, preparing minutes of the board of directors and shareholders’ meetings, assisting directors and supervisors in taking office and continuing education, providing directors and supervisors with the necessary information to perform their duties, and assisting directors and supervisors in	Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
related to meetings of the board of directors and the shareholders’ meetings, and producing minutes of board meetings and shareholders’ meetings)?			<p>complying with laws and regulations.</p> <p>The corporate governance officer, HONG, JUN-TING, was appointed by the board of directors on May 16, 2022. For his continuing education details, please refer to the company’s official website and Annex III.</p> <ol style="list-style-type: none"> 1、Handle the change registration of directors. 2、Handle matters related to the meetings of the Board of Directors, the shareholders’ meeting, and various functional committees, and assist the company in complying with the relevant laws and regulations of the Board of Directors and the shareholders’ meeting. 3、Produce the minutes of the Board of Directors and the shareholders’ meeting. 4、Continuous education for directors and supervisors. 5、Assessment and insurance of liability insurance for directors, supervisors, and key personnel. 6、Convene a communication meeting with the accountant, independent directors, supervisor, and audit manager before the regular board meeting. For communication details, please refer to the annual report and the company’s official website. 7、Provide directors and supervisors with the necessary data to perform their duties, and the latest legal developments related to the company’s operation, to assist directors and supervisors in complying with laws and regulations. 8、Complete the performance evaluation of the Board of Directors. 9、Announcements after the Board of Directors and shareholders’ meetings, significant information declarations, etc. <p>Amend the latest legal rules related to corporate governance and bring them to the Board of Directors for discussion.</p>	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has designated personnel and an email inbox to establish communication channels with stakeholders, and a dedicated area for stakeholders will be set up on the company’s website to appropriately respond to stakeholder concerns.	The information has been announced on the official website.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed a professional share affairs agency in Taiwan to handle share affairs and shareholders’ meeting related matters.	None
7. Information disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a Chinese website where the company-related information will continue to be disclosed. After the application for public issuance is approved, the relevant information will be announced on the Market Observation Post System according to the relevant regulations.	None

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has set up a Chinese website, and has set up information related to the company’s financial business and corporate governance, and designated personnel are responsible for collecting and disclosing company information. Moreover, the Company has established a spokesperson and deputy spokesperson system, and will hold corporate briefings in the future according to the regulations of the over-the-counter market center.	None
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		The Company completes the announcement and declaration on the same day that the financial report is approved by the Board of Directors. The monthly revenue situation is completed before the 10th of the following month according to regulations.	None
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(1) Employee rights: The Company has an employee handbook that clearly defines employee rights, obligations, and welfare items to protect employee rights.</p> <p>(2) Employee care: Social insurance is handled according to the relevant regulations of the local government to ensure employee benefits, and gatherings, recreational activities, etc. are held regularly to adjust the physical and mental state of employees.</p> <p>(3) Rights of investors, suppliers, and stakeholders: Maintain open communication channels with investors, suppliers, and stakeholders, and protect their rightful interests.</p> <p>(4) Supplier relations: The Company has always maintained good relations with suppliers.</p> <p>(5) Rights of stakeholders: Stakeholders can communicate and make suggestions with the company to protect their legitimate rights.</p> <p>(6) Status of directors’ and supervisors’ education: All directors of the Company have attended corporate governance-related courses, and no supervisors have been set up.</p> <p>(7) Execution of risk management policy and risk measurement standards: The Company has established an internal control system and related management methods, and executes them according to the methods to reduce and prevent any possible risks.</p> <p>(8) Execution of customer policies: A dedicated department is responsible for customer consultation and complaint channels.</p> <p>(9) The company’s purchase of liability insurance for directors and supervisors: The Company will consult suitable insurance companies in the future to buy liability insurance for directors.</p>	None
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures:</p> <p>The Company completed the self-evaluation of the tenth self-management evaluation by the end of January 2024.</p>				

Table 1: Implementation of the Board of Directors' Diversity Policy

Core elements of diversity Director's name	Compliance								
	Gender	Business judgment	Business management	Industry knowledge	Global market perspective	Leadership	Decision-making ability	Legal	Accounting and finance
Director: ZHANG, JIAN-ZHI	Male	√	√	√	√	√	√		√
Director: LIN, JIAN-XING	Male	√	√	√	√	√	√		
Director: CHEN, DI-SHENG	Male	√	√	√	√	√	√		
Director: ZHUANG, HONG-WEI	Male	√	√	√	√	√	√		
Independent Director: LIN, CHUN-MAO	Male	√	√	√	√	√	√		√
Independent Director: ZHENG, CHUN-REN	Male	√	√	√	√	√	√		√
Independent Director: XUE, BING-JUN	Male	√	√	√	√	√	√	√	

Table 2: Standards for Evaluating the Independence of Accountants

No.	Evaluation indicators	Evaluation results	Whether it complies with independence
1.	The engagement period of the signing accountant is less than 7 years.	No such situation	Complies with independence
2.	The signing accountant and the audit service team members have not held the positions of directors, managers, or any significant influence on the audit case of the Company currently or within the past two years.	No such situation	Complies with independence
3.	The signing accountant and the audit service team members do not have any kinship relations with the Company's directors, managers, or personnel who have significant influence on the audit case.	No such situation	Complies with independence
4.	The signing accountant has not held the positions of the Company's director, manager, or any significant influence on the audit case within one year after leaving the post.	No such situation	Complies with independence
5.	The signing accountant has no direct or indirect significant financial interest with the Company.	No such situation	Complies with independence
6.	The accounting firm of the signing accountant does not overly rely on a single client (the Company) for its remuneration source.	No such situation	Complies with independence
7.	There is no significant close business relationship between the signing accountant and the Company.	No such situation	Complies with independence
8.	There is no potential employment relationship between the signing accountant and the Company.	No such situation	Complies with independence
9.	The signing accountant does not have public expenses related to the audit case.	No such situation	Complies with independence
10.	The non-audit services provided by the signing accountant to the Company do not directly affect the important items of the audit case.	No such situation	Complies with independence
11.	The signing accountant does not represent the Company in defending legal cases or other disputes with third parties.	No such situation	Complies with independence
12.	The signing accountant does not advertise or broker the securities issued by the Company.	No such situation	Complies with independence
13.	The signing accountant has not received significant gifts or special favors from the Company or its directors, managers, or major shareholders.	No such situation	Complies with independence

Table 3: 2023 Corporate Governance Officer Training

Date		Held by	Course	Hrs	Total Hrs
From	To				
2023.3.30	2023.3.31	Accounting Research and Development Foundation	Continuing Education Class for Securities Issuers, Brokerage Firms, and Stock Exchange Accounting Supervisors	12	18
2023.4.24	2023.4.24	Accounting Research and Development Foundation	How Internal Auditors Can Apply Digital Forensics in Business Secret Protection and Investigation	6	18

(4) Information on the members and operation of the compensation committee

1. Committee Member Information

Criteria		Professional Qualifications and Experiences	Independence (Note 3)	Number of members of other public companies' Compensation Committees
Position Name				
Independent Director (Convenor)	ZHENG, CHUN-REN	<ol style="list-style-type: none"> Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. ZHENG, CHUN-REN is an Independent Director with experience as General Manager at Sentelic Corporation, Deputy Head of the Listing Division at Taiwan Stock Exchange, and Deputy CFO and Executive Vice President at Sentelic Corporation. Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. Has a professional background and work experience in accounting and finance, also well-versed in financial markets and industry status, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and accounting finance. 	<ol style="list-style-type: none"> Neither the director themselves nor their spouse holds shares in the company, nor do they hold shares in another person's name. Apart from serving as an independent director of the company, neither the director, their spouse, nor their immediate family members are employed by the company or its associated enterprises, nor do they serve on their boards or as auditors. The director is not employed by any major juristic shareholders of the company, nor do they serve on their boards or as auditors. The director is not employed by a company where they or their spouse share the same position as the company's chairman or an equivalent position, nor do they serve on their boards or as auditors. The director does not serve as a board member or executive of any specific company or institution that has financial or business transactions with the company, nor do they hold shares in such a company. The director solely provides professional opinions as an independent director and receives compensation for this role, without providing other professional services to the group enterprises. The director has no spousal or second-degree relative connections with any other director. The director was elected in their personal capacity and does not have any of the disqualifications listed under Article 30 of the Company Act. Upon review, the director does not have any direct or indirect interests with the company and meets the independence qualifications as set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	2

Independent Director	LIN, CHUN-MAO	<ol style="list-style-type: none"> Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. LIN, CHUN-MAO is currently an Independent Director at Tacheng Real Estate Co., Ltd., Independent Director at Astro Corp., Chairman at Natures Bank Exchange Co., Ltd., and CEO at Top Jade Family Office Limited. Has a professional background and work experience in accounting and finance, also well-versed in financial markets and industry status, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and accounting finance. 	<ol style="list-style-type: none"> Neither the director themselves nor their spouse holds shares in the company, nor do they hold shares in another person's name. Apart from serving as an independent director of the company, neither the director, their spouse, nor their immediate family members are employed by the company or its associated enterprises, nor do they serve on their boards or as auditors. The director is not employed by any major juristic shareholders of the company, nor do they serve on their boards or as auditors. The director is not employed by a company where they or their spouse share the same position as the company's chairman or an equivalent position, nor do they serve on their boards or as auditors. The director does not serve as a board member or executive of any specific company or institution that has financial or business transactions with the company, nor do they hold shares in such a company. The director solely provides professional opinions as an independent director and receives compensation for this role, without providing other professional services to the group enterprises. The director has no spousal or second-degree relative connections with any other director. The director was elected in their personal capacity and does not have any of the disqualifications listed under Article 30 of the Company Act. Upon review, the director does not have any direct or indirect interests with the company and meets the independence qualifications as set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	2
Independent Director	XUE, BING-JUN	<ol style="list-style-type: none"> Has over 5 years of work experience in business, legal, financial, accounting, or corporate operations. XUE, BING-JUN is the Director at Jun Ding Law Firm, with experiences as a Lawyer at PCL TransAsia Law Offices, Officer at Continental Holdings Corporation, and Lawyer at Liang & Partners Law Offices. Has a legal professional background and work experience, with core board competencies in operational judgment, business management, industry knowledge, international market perspective, leadership, decision-making, and law. 	<ol style="list-style-type: none"> The director and their spouse own less than 1% of the company's shares and do not hold any shares in another person's name. Apart from serving as an independent director of the company, neither the director, their spouse, nor their immediate family members are employed by the company or its associated enterprises, nor do they serve on their boards or as auditors. The director is not employed by any major juristic shareholders of the company, nor do they serve on their boards or as auditors. The director is not employed by a company where they or their spouse share the same position as the company's chairman or an equivalent position, nor do they serve on their boards or as auditors. The director does not serve as a board member or executive of any specific company or institution that has financial or business transactions with the company, nor do they hold shares in such a company. The director solely provides professional opinions as an independent director and receives compensation for this role, without providing other professional services to the group enterprises. The director has no spousal or second-degree relative connections with any other director. The director was elected in their personal capacity and does not have any of the disqualifications listed under Article 30 of the Company Act. Upon review, the director does not have any direct or indirect interests with the company and meets the independence qualifications as set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	0

2. Operation of the Compensation Committee

The function of the compensation committee of the Company is to evaluate the remuneration policy and system for the directors and managers of the Company from a professional and objective position. It meets at least three times a year and can convene meetings as needed to provide recommendations to the board of directors for reference in decision-making.

- (1) There are 3 members in the compensation committee of the Company.
- (2) The current term of office: June 20, 2023 to June 19, 2026.
- (3) Authority of the Compensation Committee of the Company
 - I. Regularly review the Company's remuneration method and make revision suggestions.
 - II. Develop and regularly review the policy, system, and standards for the performance and remuneration of the directors and managers of the Company.

3. From the most recent year (2023) to the date of printing of the annual report in 2024, the compensation committee held 2 meetings. The qualifications and attendance of the members are as follows:

	Name	Actual attendance	Attendance by proxy	Actual attendance	Remark
Convener	ZHENG, CHUN-REN	2	—	100%	
Member	LIN, CHUN-MAO	2	—	100%	
Member	XUE, BING-JUN	2	—	100%	

Other mentionable items:

1. If the Board does not adopt or resolve to amend the recommendation of the Compensation Committee, it shall state the date of the Board meeting, the session of the meeting, the content of the motion, the Board resolution and the Company's handling of the recommendation of the Committee (if the compensation approved by the Board is higher than the recommendation of the Committee, it shall state the difference and the reasons for the difference): None.
2. If the members of the Compensation Committee have any objections or reservations to a resolution, and such objections or reservations are recorded or stated in writing, the date and date of the resolution, the content of the resolution, the opinions of all members of the Compensation Committee and the treatment of the opinions of the members of the Compensation Committee shall be stated: None.
3. Matters discussed by the Compensation Committee, resolutions, and the Company's handling of members' opinions:

Compensation Committee	Proposal	Result	The Company's Handling
2023/11/13 4th Term, Compensation Committee Meeting #1	1. Bonus distribution for juristic person representatives appointed by the Company's subsidiaries. 2. Performance bonus distribution for the Company's President for 2023.	After the chairman consulted with the members present, it was unanimously approved as proposed.	Submitted for resolution by the Company's Board of Directors.
2024/03/14 4th Term, Compensation Committee Meeting #2	1. Compensation for directors and employees of the Company for the year 2023.	After the chairman consulted with the members present, it was unanimously approved as proposed.	Submitted for resolution by the Company's Board of Directors.

(5) Implementation of Sustainable Development and Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons:

Evaluation Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
1. Does the Company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?		✓	The Company will establish relevant specialized (and concurrent) units depending on the actual situation.	None
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The Company has established Sustainable Development Best Practice Principles, explicitly stating that its policy on corporate social responsibility is to implement corporate governance, develop a sustainable environment, participate in promoting public welfare, and enhance the disclosure of corporate social responsibility information.	None
3. Environmental issues (1) Does the Company establish proper environmental management systems based on the characteristic of its industry? (2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(1) The Company has pollution control facilities and commissions professional agencies to monitor in accordance with various regulations of the Environmental Protection Bureau, as well as to handle solid waste. (2) The Company aims to make full use of all resources and is committed to carrying out waste reduction, resource classification recycling, and other activities to maintain the earth's resources and protect environmental sanitation. (3) The Company routinely pays attention to energy-saving and carbon reduction policies, as well as greenhouse gas reduction.	None
4. Social issues (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries? (3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		The Company complies with labor laws and other relevant regulations, and has compiled an employee handbook to protect the legal rights and interests of its employees. (1) The Company values the safety and health of the employee's working environment and regularly arranges health checks for employees to fulfill its responsibility for employee safety and health. (2) The Company establishes an effective career development training plan for employees each year and regularly implements educational training.	None

Evaluation Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
(4) Does the Company provide its employees with career development and training sessions? (5) Do the Company’s products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented? (6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.			(3) The Company abides by relevant regulations and international guidelines in its product marketing and labeling to protect the rights and interests of customers. (4) For suppliers, the Company will take into consideration their degree of green environmental protection in the future, and work together to enhance social responsibility.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?		✓	The Company is currently not within the scope required by law to compile a corporate social responsibility report, hence it has not yet compiled the report.	
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the Company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Company is committed to implementing corporate governance, developing a sustainable environment, participating in promoting public welfare, and enhancing the disclosure of corporate social responsibility information. Please refer to the above descriptions for other operational situations. There is no difference between the actual practice and the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.				
7. Other significant information for explaining the implementation status of sustainable development practices: None.				

(6) The Company’s implementation of ethical corporate management and measures taken

Evaluation Item	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? (2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of	V		(1) The Company has established “Ethical Corporate Management Best Practice Principles”. The policy for ethical corporate management and the commitment of the board of directors and management to actively implement it have been considered based on the current situation of the company and legal regulations and implemented progressively.	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>			<p>(2) The Company not only announces the ethical corporate management operations policy internally but also declares it in external activities such as product launches from time to time, so that its suppliers, customers or other business-related organizations and personnel can clearly understand its ethical corporate management operations philosophy and regulations, and will gradually develop plans and procedures to prevent unethical behaviors and implement them.</p>	
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethIC-related clauses in business contracts?</p> <p>(2) Does the Company establish a specialized (and concurrent) unit under the board of directors to promote ethical corporate management operations and regularly (at least once a year) report to the board of directors on its ethical corporate management operations policy and plans to prevent unethical behaviors and the situation of supervision and implementation?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>(1) Before the Company establishes business relationships with others, it should first evaluate the legality and ethical corporate management operations policy of agents, suppliers, customers, or other business counterparts, as well as whether there are records of unethical behavior, to ensure that its business operations are fair, transparent, and will not request, provide, or accept bribes.</p> <p>(2) The Company will establish a part-time unit to promote ethical corporate management operations to supervise the operational situation.</p> <p>(3) The Company has established “Ethical Corporate Management Best Practice Principles” and “Codes of Ethical Conduct”, clearly defining policies to prevent conflicts of interest, providing operational guidelines for employees, and encouraging employees to report to independent directors, managers or internal audit supervisors when they suspect or discover violations of laws, regulations, or Codes of Ethical Conduct.</p> <p>(4) The Company has established an effective accounting system and internal control system to implement ethical corporate management within the company, and internal audit personnel perform corresponding audit work.</p> <p>(5) The Company will plan to regularly hold educational training courses on ethical corporate management to enhance the</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			promotion of the philosophy of ethical corporate management to all staff.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases and relevant post-investigation confidentiality measures? (3) Does the company provide proper whistleblower protection?	V		(1) The Company has incorporated ethical corporate management into employee performance evaluations and human resource policies, and employees can complain and report through channels such as email. If there is any complaint or report, it will be investigated and dealt with by the management department and the audit room. (2) In the future, the Company will establish standard operating procedures for investigating reported matters and related confidentiality mechanisms according to actual needs. (3) At present, complaints and reports are handled by the heads of the management department and the audit room, and measures are taken to keep them confidential and protect the whistleblowers.	Already announced on the official website
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		The Company has a website and will set up a special section on the company’s website to disclose information related to ethical corporate management operations as needed.	Already announced on the official website
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established “Ethical Corporate Management Best Practice Principles”, which are being implemented progressively, and there is no significant abnormal situation.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (such as the company reviewing and revising its established Ethical Corporate Management Best Practice Principles): None.				

- (7) Where a company has a code of corporate governance and related regulations, it should disclose how to make enquiries about them:

The Company has established “Ethical Corporate Management Best Practice Principles”, “Codes of Ethical Conduct”, “Endorsement and Guarantee Operating Procedures”, “Operating Procedures for Lending Funds to Others”, “Operating Procedures for Acquisition or Disposal of Assets”, “Rules of Procedure for Board of Directors”, “Methods for Election of Directors and Supervisors”, and “Rules of Procedure for Shareholder Meetings” and other corporate governance related regulations. They are disclosed on the company’s website (<https://www.buimagroup.com>) and the Market Observation Post System.

- (8) Summary of the resignation and dismissal of the company’s Chairman, President, Accounting Supervisor, Financial Supervisor, Internal Audit Supervisor, Corporate Governance Supervisor, and R&D Supervisor in the most recent year and up to the date of printing the annual report:

Title	Name	Date of Appointment	Date of Dismissal	Reasons for Resignation or Dismissal
CEO of Subsidiary	WU, ZHENG-XUN	2022/07/15	2023/07/01-	Personal career planning, hence the resignation.

- (9) Other important information regarding corporate governance, shall be disclosed together:

1. The Company has elected three independent directors and established an audit committee and a compensation committee to implement corporate governance, improve supervisory functions, and strengthen management mechanisms.
2. The board of directors of the Company has resolved to establish the “Procedures for Handling Material Internal Information”, as the mechanism for handling and disclosing material information of the Company, to avoid improper disclosure of information and ensure the consistency and accuracy of information disclosed to the outside world, and to strengthen the prevention of insider trading. The procedures have been placed in the internal regulations area for all managers and employees to refer to at any time, and educational training and advocacy are held regularly.

- (10) The implementation of the internal control system should disclose the following items:

1. Please refer to the Chinese version of the annual report for the Internal Control Statement.
2. If an accountant is appointed to review the internal control system, the accountant’s review report shall be disclosed: None.

- (11) For the most recent year and as of the date of the annual report, the Company and its internal personnel have been punished by law, or the Company has imposed penalties on its internal personnel for violating the provisions of the internal control system, and the results of such penalties may have a significant impact on shareholders’ equity or securities prices, the contents of the penalties, major deficiencies and improvements should be listed: None.

(12) For the most recent year and as of the date of the annual report, major resolutions of shareholders' meeting and board meetings:

Date	Resolutions	Implementation
2023/6/30 Shareholder Meeting	(1) 2022 Annual Business Report (2) 2022 Audit Committee Review Report (3) 2022 Director and Employee Compensation Distribution Report (4) Execution report on the Company's third secured convertible bond issue in Taiwan (5) Execution report on the Company's fourth unsecured convertible bond issue in Taiwan (6) 2022 Annual Business Report and Consolidated Financial Statements (7) 2022 Profit Distribution Proposal (8) Comprehensive re-election of directors (including independent directors) (9) Proposal for cash dividends from capital surplus (10) Amendment to the Company's "Articles of Incorporation" (11) Amendment of the Company's "Procedures for Acquisition or Disposal of Assets" (12) Lifting of non-compete restrictions for new directors and their representatives (13) Proposal to conduct a private placement for cash capital increase by issuing new shares.	(1) Report (2) Report (3) Report (4) Report (5) Report (6) Proposal, passed after voting. (7) Proposal, passed after voting. (8) Discussion, elected seven directors (including three independent directors) for a three-year term after voting. (9) Discussion, passed after voting. (10) Discussion, passed after voting. (11) Discussion, passed after voting. (12) Discussion, passed after voting. (13) Discussion, passed after voting.
2023/6/30 5th Term Interim Board Meeting #1	(1) Election of a new Chairperson, proposal for election (2) Appointment of members to the Fourth Term Compensation Committee, proposal for appointment (3) Proposal for the Company to apply for a new revolving loan from Mega International Commercial Bank	(1) Elected Chairperson after voting. (2) Appointed after voting and elected Chair. (3) Implement in accordance with the resolution.
2023/8/25 5th Term Board Meeting #1	(1) Review of the financial statements for the second quarter of 2023 (2) Proposal to revoke the endorsement guarantee provided to Lian Ting Construction Co., Ltd. approved by the board on April 17, 2023 (3) Proposal for the Company to apply for renewal of a US\$2 million loan limit from Entie Commercial Bank, Ltd.	(1) Implement in accordance with the resolution. (2) Implement in accordance with the resolution. (3) Implement in accordance with the resolution.
2023/11/13 5th Term Board Meeting #2	(1) Financial statement for the third quarter of 2023 (2) Proposal to provide an endorsement guarantee for the subsidiary, Buima (China) New Materials Co., Ltd.	(1) Implement in accordance with the resolution. (2) Implement in accordance with the resolution.
2023/12/18 5th Term Board Meeting #3	(1) Review of the budget for 2024 (2) The Company's audit plan for 2024 (3) Proposal for the Company to apply for a loan limit from First Commercial Bank	(1) Implement in accordance with the resolution. (2) Implement in accordance with the resolution. (3) Implement in accordance with the resolution.

Date	Resolutions	Implementation
2024/3/14 5th Term Board Meeting #4	(1) Review of the annual financial statements and business report for 2023. (2) Proposal for the distribution of profits for 2023. (3) Review of the “Internal Control System Statement” for 2023. (4) Compensation proposal for directors and employees for 2023 (5) Proposal for cash dividends from capital surplus (6) Proposal for a capital increase by issuing new shares from capital surplus (7) Comprehensive re-election of directors (including independent directors) (8) Amendment of the company’s “Procedures for Acquisition or Disposal of Assets” (9) Proposal to change the certifying accountant due to internal adjustments at the accounting firm (10) Evaluation of the independence and suitability of the certifying accountant appointed by the Company	(1) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (2) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (3) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (4) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (5) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (6) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (7) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (8) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (9) Implement in accordance with the resolution. (10) Implement in accordance with the resolution.
2024/4/24 5th Term Board Meeting #5	(1) If the private placement approved at the shareholders’ meeting on June 30, 2024, is not executed by the deadline, the company proposes not to continue the private placement. (2) Proposal to conduct a private placement for cash capital increase by issuing new shares.	(1) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting. (2) Implement in accordance with the resolution.; submitted to the 2023 shareholders’ meeting.
2024/05/14 5th Term Board Meeting #6	(1) Review of the financial statements for the first quarter of 2024. (2) Proposal for the renewal of endorsement and guarantee for the subsidiary, Buima Energy Co., Ltd.	(1) Implement in accordance with the resolution. (2) Implement in accordance with the resolution.

(13) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors:

As of the publication date of the most recent annual report, there were no dissenting opinions from the directors regarding the significant resolutions passed by the Board of Directors.

Internal Control Statement
Please refer to the Chinese version of the annual report

5. Auditor Fee Information

Auditor Fee Information Grade Table

Name of Accounting Firm	Name of CPA		Period Covered	Note
PwC Taiwan	WU, JIAN-ZHI	QIU, ZHAO-XIAN	2023	-

Unit: NT\$ thousand

Amount Grade		Fee Item	Audit Fee	Non-audit Fee	Total
1	Less than NT\$2,000 thousand		-	180	180
2	NT\$2,000 thousand (inclusive) to NT\$4,000 thousand		-	-	-
3	NT\$4,000 thousand (inclusive) to NT\$6,000 thousand		4,500	-	4,500
4	NT\$6,000 thousand (inclusive) to NT\$8,000 thousand		-	-	-
5	NT\$8,000 thousand (inclusive) to NT\$10,000 thousand		-	-	-
6	NT\$10,000 thousand (inclusive) and above		-	-	-

- (1) If the non-audit fees paid to the certifying accountant, the certifying accountant's firm and its affiliates amount to more than one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services should be disclosed:

Auditor Fee Information

Unit: NT\$ thousand

Name of Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Audit Period	Note
			System Design	Business Registration	Human Resources	Other	Subtotal		
PwC Taiwan	WU, JIAN-ZHI	4,500	-	-	-	180	—	2023	Non-audit fees mainly consist of financial consultancy, group master file reporting, and corporate bond issuance operations.
	QIU, ZHAO-XIAN		-	-	-	-	-		

- (2) If the audit fee paid in the year of change of accounting firm is less than the audit fee paid in the year before the change, the amount of audit fee before and after the change and the reasons for the change should be disclosed: None.
- (3) The non-audit fees for the year 2023 have increased by NT\$10 thousand compared to 2022, representing an increase of 0.21%. This is due to an increase in certain consulting services and professional report review services.

6. Replacement of CPA:

- Date approved by the Board of Directors (date of occurrence): March 14, 2024
- Names of former certified accountants: WU, JIAN-ZHI 、 QIU, ZHAO-XIAN
- Names of new certified accountants: WU, JIAN-ZHI 、 ZHI BING JUN
- Reason for changing accountants: PwC Taiwan changed the certified accountant due to internal adjustments
- Explanation on whether it was the Company who actively terminated the appointment or did not continue the appointment, or the former accountant actively terminated the appointment or did not continue to accept the appointment: Not applicable
- Date the Company was notified or received notification of termination: March 4, 2024
- Have there been any adjustments by the accountant or suggestions for significant improvements in internal control in the financial reports declared or to be prepared in the last two years: No
- Does the company disagree with the adjustments or suggestions (if there is any disagreement, please detail the nature of each issue, the company's original handling method and the final result, and the successor accountant's written opinion on each issue): No
- Before the Company formally appointed the successor accountant, was the accountant consulted on the adjustments and suggestions made by the former accountant and the possible opinions that could be issued on the financial statements: No
- Explain whether the former accountant was authorized to fully answer any reasonable questions raised by the successor accountant (including the circumstances of disagreement mentioned above): Yes
- Other matters to be stated: The Board of Directors resolved on March 14, 2024, to change the accountant

7. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm: None.

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

(1) Changes in the shareholding status of directors, supervisors, managers and major shareholders

Unit: shares

Title	Name	2022		By April 8, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	ZHANG, JIAN-ZHI	281,000	80,000		520,000
Director	LIN, JIAN-XING	—	—	—	—
Director	CHEN, DI-SHENG	99,228	—	—	—
Director	ZHUANG, HONG-WEI (Note 2)	85,523	170,000	—	—
Corporate Director	CHEE SHING INVESTMENT LTD. (Note 1)	—	—	—	—
	Responsible Person: ZHANG, JIAN-ZHI	—	—	—	—
	Rep: ZHUANG, HONG-WEI	—	—	—	—
General Manager	ZHUANG, HONG-WEI	—	—	—	—
Independent Director	TIAN, JIA-SHENG (Note 3)	—	—	—	—
	ZHENG, CHUN-REN	—	—	—	—
	XUE, BING-JUN	—	—	—	—
	LIN, CHUN-MAO (Note 4)	—	—	—	—
Finance Manager	HONG, JUN-TING	—	—	—	—
Major Shareholder	ZHANG, JIAN-ZHI	—	—	—	—
Other - Subsidiary CEO	WU, ZHENG-XUN (Note 5)	—	—	—	—

Note 1: The juristic person representative, CHEE SHING INVESTMENT LTD., did not continue as a director of our company effective June 30, 2023.

Note 2: Director ZHUANG, HONG-WEI was newly appointed as a director of our company effective June 30, 2023.

Note 3: Independent director TIAN, JIA-SHENG did not continue as an independent director of our company effective June 30, 2023.

Note 4: Independent director LIN, CHUN-MAO was newly appointed as an independent director of our company effective June 30, 2023.

Note 5: Subsidiary CEO WU, ZHENG-XUN resigned effective July 1, 2023.

9. Relationship among the Top Ten Shareholders

April 8, 2024; Unit: shares; %

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Tuo Han Capital Co., Ltd.	3,109,264	7.91	—	—	—	—	—	—	—
Tuo Han Capital Co., Ltd. Rep: HUANG, JING-RONG	—	—	—	—	—	—	—	—	—
CHEE SHING INVESTMENT LTD.	2,967,240	7.55	—	—	—	—	—	—	—
CHEE SHING INVESTMENT LTD. Rep: ZHANG, JIAN-ZHI	1,600,000	4.07	136,000	0.35	2,967,240	7.55	—	—	—
CHEN, XIU-JUAN	2,671,743	6.80	601,095	1.53	—	—	CHEN, XIU-XIU CHEN, DI-SHENG	Younger sister Younger brother	—
CHEN, XIU-XIU	2,147,038	5.46	—	—	—	—	CHEN, XIU-JUAN CHEN, DI-SHENG	Elder sister Elder brother	—
Da Shun Fa Enterprise Co., Ltd.	1,609,204	4.09	—	—	—	—	—	—	—
Da Shun Fa Enterprise Co., Ltd. Rep: YANG, REN-PING	—	—	—	—	—	—	—	—	—
Yu Xin Investment Co., Ltd.	1,609,204	4.09	—	—	—	—	—	—	—
Yu Xin Investment Co., Ltd. Rep: YANG, REN-YOU	—	—	—	—	—	—	—	—	—
ZHANG, JIAN-ZHI	1,600,000	4.07	136,000	0.35	2,967,240	7.55	CHEE SHING INVESTMENT LTD.	Person in Charge	—
CHEN, DI-SHENG	1,572,228	4.00	—	—	—	—	CHEN, XIU-JUAN CHEN, XIU-XIU	Elder sister Younger sister	—
LIN, JIAN-XING	1,495,693	3.81	—	—	—	—	—	—	—
TANG, HOU-LONG	1,022,000	2.60	—	—	—	—	—	—	—

10. 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

Dec. 31, 2023; Unit: thousand shares; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Syntech Holding Co., Ltd.	3,223	100	—	—	3,223	100
Buima Holding Ltd.	111,085	100	—	—	111,085	100
Buima Holding Hong Kong Ltd.	15,050	100	—	—	15,050	100
OWA Metallic Pte.Ltd.	1,224	51	—	—	1,224	51
Lian Ting Construction Co., Ltd.	23,000	100	—	—	230,000	100
JOULES MILES CO., LTD.	9,324	25.18	—	—	9,324	25.18
PowerGain Technology Corporation Limited	5,000	100	—	—	5,000	100
Shin Jin Company Limited	2,750	45.83	—	—	2,750	45.83
Buima Energy Co., Ltd.	22,183	100	—	—	22,183	100
Gwa Energy Inc.	5,980	25.70	—	—	5,980	25.70
Li Chu Power Co., Ltd.	230	100	—	—	230	100
Xingtie New Building Materials (Shanghai) Co., Ltd.	Note 1 、 5	100	—	—	Note 1 、 5	100
Hongji International Trade (Shang-hai) Co., Ltd.	Note 1 、 2	100	—	—	Note 1 、 2	100
Buima (China) New Building Materials Co., Ltd.	Note 1 、 3	100	—	—	Note 1 、 3	100
Ouhuama New Type Building Materials (Shanghai) Limited Com-pany	Note 1 、 4	51	—	—	Note 1 、 4	51
Buima (Shanghai) New Materials Co., Ltd.	Note 1 、 5	100	—	—	Note 1 、 5	100
Shanghai Getao Construction Engineering Co., Ltd.	Note 1 、 5	100	—	—	Note 1 、 5	100
Buima (Shenzhen) New Materials Co., Ltd.	Note 1 、 5	60	—	—	Note 1 、 5	60

Note 1: It's a limited liability company, so there are no issued shares.

Note 2: Invested through Buima Holding Ltd.

Note 3: Invested through Buima Holding Hong Kong Ltd.

Note 4: Invested through OWA Metallic Pte. Ltd.

Note 5: Invested through Buima (China) New Building Materials Co., Ltd.

I. Capital Overview

1. Capital and Shares

(1) Share Type

April 8, 2024; Unit: shares

Share Type	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Ordinary shares	39,304,459	20,695,541	60,000,000	Over-the-counter company stocks

(2) Share capital formation

1. Capital Formation

Unit: shares ; NT\$

Month/Year (Note 1)	Par-Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
2009.11	10	60,000,000	600,000,000	1	10	Established capital	—	—
2009.11	16.46	60,000,000	600,000,000	11,645,388	116,453,880	Shares converted: NT\$191,661,720	—	—
2009.12	17.4	60,000,000	600,000,000	16,751,178	167,511,780	Shares converted: NT\$88,789,077	—	—
2009.12	16.46	60,000,000	600,000,000	30,000,000	300,000,000	Cash capital increase: NT\$218,051,151	—	—
2011.01	10	60,000,000	600,000,000	36,000,000	360,000,000	Capital surplus converted into capital: NT\$60,000,000	—	—
2011.03	15	60,000,000	600,000,000	40,000,000	400,000,000	Cash capital increase: NT\$60,000,000	—	—
2013.05	12.5	60,000,000	600,000,000	48,000,000	480,000,000	Cash capital increase: NT\$100,000,000	—	—
2014.11	10	60,000,000	600,000,000	24,000,000	240,000,000	Capital reduction, two shares into one share	—	—
2015.10	—	60,000,000	600,000,000	23,999,996	239,999,960	Cancellation of shares	—	—
2016.05	22	60,000,000	600,000,000	27,199,996	271,999,960	Cash capital increase: NT\$70,400,000	—	Note 2
2017.11	20.6	60,000,000	600,000,000	30,699,996	306,999,960	Cash capital increase: NT\$72,100,000	—	Note 3
2018.12	18.6	60,000,000	600,000,000	35,699,996	356,999,960	Cash capital increase: NT\$93,000,000	—	Note 4
2021.06	58.0	60,000,000	600,000,000	37,199,996	371,999,960	Cash capital increase: NT\$87,000,000	—	Note 5
2021.10	—	60,000,000	600,000,000	37,230,690	372,306,900	Second unsecured bond conversion exercised by bondholders	—	Note 5
2021.10	—	60,000,000	600,000,000	37,304,459	373,044,590	Second unsecured bond conversion exercised by bondholders	—	Note 5
2022.10	—	60,000,000	600,000,000	39,304,459	393,044,590	Cash capital increase: NT\$90,000,000	—	Note 5

Note 1: Completion of change of registration.

Note 2: Zheng-Gui-Shen-Zi No.10500068702

Note 3: Jin-Guan-Zheng-Fa-Zi No.1060038731

Note 4: Jin-Guan-Zheng-Fa-Zi No.1070340406

Note 5: Jin-Guan-Zheng-Fa-Zi No.11003424871

2. Performance of privately placed common shares over the last three years and up to the date of the annual report publication: For details, please refer to p.111, Section 8, Special Disclosure - Private Placement Securities in the Most Recent Years.

(3) Structure of Shareholders

April 8, 2024 ; Unit: persons; shares; %

Shareholder Structure Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	1	16	921	7	945
Shareholding	0	7,000	9,640,346	29,620,912	36,201	39,304,459
Percentage	0	0.02	24.53	75.36	0.09	100.00

Note: Mainland China shareholding percentage is 0%.

(4) Shareholding Distribution Status

April 8, 2024 ; Unit: persons; shares; %

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding	Percentage
1 - 999	275	10,896	0.03
1,000 - 5,000	419	828,883	2.11
5,001 - 10,000	72	539,121	1.37
10,001 - 15,000	18	226,809	0.58
15,001 - 20,000	29	520,717	1.32
20,001 - 30,000	25	610,381	1.55
30,001 - 40,000	15	518,766	1.32
40,001 - 50,000	9	410,913	1.05
50,001 - 100,000	26	1,862,574	4.74
100,001 - 200,000	21	2,681,382	6.82
200,001 - 400,000	15	4,335,496	11.03
400,001 - 600,000	4	1,904,676	4.85
600,001 - 800,000	5	3,335,692	8.49
800,001 - 1,000,000	2	1,714,539	4.36
1,000,001 or over	10	19,803,614	50.38
Total	945	39,304,459	100.00

(5) List of Major Shareholders (Holding more than 5% or top ten shareholders)

April 8, 2024 ; Unit: persons; shares; %

Shareholder's Name	Shareholding	Shareholding	Percentage
Tuo Han Capital Co., Ltd. Rep: HUANG, JING-RONG		3,109,264	7.91%
CHEE SHING INVESTMENT LTD. Rep: ZHANG, JIAN-ZHI		2,967,240	7.55%
CHEN, XIU-JUAN		2,671,743	6.80%
CHEN, XIU-XIU		2,147,038	5.46%
Da Shun Fa Enterprise Co., Ltd. Rep: YANG, REN-PING		1,609,204	4.09%
Yu Xin Investment Co., Ltd. Rep: YANG, REN-YOU		1,609,204	4.09%
ZHANG, JIAN-ZHI		1,600,000	4.07%
CHEN, DI-SHENG		1,572,228	4.00%
LIN, JIAN-XING		1,495,693	3.81%
TANG, HOU-LONG		1,022,000	2.60%

(6) Market price per share, net value, earnings, dividends, and related information for the most recent two years

Unit: thousand shares ; NT\$

Item		Year	2022	2023	2024 Q1
Market Price per Share	Highest Market Price		66.1	59.8	52.4
	Lowest Market Price		50	38.9	39.1
	Average Market Price		58.26	47.87	44.4
Net Worth per Share (Note 1)	Before Distribution		18.66	15.78	—
	After Distribution (Note 2)		18.66	15.78	—
Earnings per Share	Weighted Average Shares		37,305	38,598	—
	Earnings per Share	Before adjustment	(1.63)	(2.57)	—
		After adjustment	(1.63)	(2.57)	—
Dividends per Share	Cash Dividends		0.8	0.1	—
	Cash Dividends	Dividends from Retained Earnings	—	—	—
		Dividends from Capital Surplus	—	0.3	—
	Accumulated Undistributed Dividends		—	0.4	—
Return on Investment	Price / Earnings Ratio		—	—	—
	Price / Dividend Ratio		1.3%	0.2%	—
	Cash Dividend Yield Rate		1.3%	0.2%	—

Note 1: The net value per share is calculated based on the equity attributable to the owners of the parent company.

Note 2: It is filled in according to the distribution resolved by the shareholders' meeting of the following year.

(7) Dividend Policy and Implementation Status

1. Dividend Policy in the Articles of Incorporation

According to the current Articles of Incorporation of the Company, the related dividend policy is if there is a profit for the annual settlement of the Company (the profit before the deduction of the distribution of employee compensation and director compensation from the pre-tax profit, hereinafter referred to as the annual profit), the following amounts should be allocated for employee compensation and director compensation. However, if the Company still has accumulated losses, an amount should be reserved to offset them:

- (1) All directors have the right to receive an annual bonus that does not exceed three percent of the 'annual profit', and it can only be distributed in cash.
- (2) All employees of the Company and its subsidiaries have the right to receive an annual bonus of one to ten percent of the 'annual profit', and it can be distributed in cash, stocks, or any combination of the two.
- (3) If the Company has a surplus in its annual settlement, it will be distributed in the following order:
 - I. Pay taxes.
 - II. Offset losses.
 - III. Allocate 10% as legal reserve, but this is not limited when the accumulated legal reserve has reached the Company's paid-in capital, and according to the regulations of the competent authority, a special surplus reserve is set up or returned. If there is still a surplus, dividends can be distributed to the original shareholders from the current distributable earnings and the retained earnings from previous periods that were not distributed (collectively referred to as 'accumulated distributable earnings'), and it can be done by distributing cash or issuing new shares. The dividends distributed to the

original shareholders must not be less than 25% of the current distributable earnings, and the amount of cash dividends must not be less than 15% of the current proposed distribution of profits.

2. Proposed Distribution of Dividends

On March 14, 2024, the Board of Directors resolved the dividend distribution for the fiscal year 2023, deciding on a cash dividend of NT\$0.1 per share and a stock dividend of NT\$0.3 per share, totaling NT\$3,930,446, pending approval at the shareholders' meeting scheduled for June 6, 2024.

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

The Company has not published financial forecasts for 2024, thus not applicable.

(9) Remuneration of Employees and Directors

1. Information Relating to Employee Bonus and Directors' Remuneration in the Articles of Incorporation: Please refer to (7), 1 above.

2. The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares distributed as compensation to employees, and the accounting treatment if the actual amount of distribution differs from the estimated amount: None.

3. Compensation Distribution as Approved by the Board of Directors:

I. The amount of employee compensation and compensation for Directors and Supervisors distributed in cash or stocks. If there is a discrepancy from the estimated amount recognized in the fiscal year, the difference, reasons, and handling should be disclosed: The Company's employee and board compensation for the fiscal year 2023 was approved by the Board on March 14, 2024. Cash compensation distributed to employees was NT\$0 and compensation to Directors was NT\$0, consistent with the estimated amount for 2023.

II. The proportion of stock-based employee compensation to the total post-tax profit and total employee compensation for the period: On March 14, 2024, the Board resolved that the stock-based employee compensation for the fiscal year 2023 was NT\$0 thousand, which represents 0% of the total post-tax profit and total employee compensation for the period.

4. Report to the shareholders' meeting on the distribution of compensation and the results: None.

5. The actual allotment of employees' and directors' remuneration for the previous year (including the number, amount and price of shares distributed), the number of differences between them and the recognition of employees', directors' and supervisors' remuneration, together with a description of the differences, the reasons for them and the circumstances in which they were dealt with: None.

(10) Buyback of Treasury Stock: None.

2. Corporate Bonds:

Type of Corporate Bond		Buima Group Inc. first secured convertible corporate bond (Buima one-KY) within the Republic of China	Buima Group Inc. second secured convertible corporate bond (Buima two-KY) within the Republic of China
Issuance Date		July 12, 2021	July 13, 2021
Denomination		NT\$100,000	NT\$100,000
Issuance and Trading Location		N/A	N/A
Issue Price		Issued at 101% of the face value	Issued at 100% of the face value
Total Amount		NT\$200,000,000	NT\$100,000,000
Interest Rate		Coupon rate 0%	Coupon rate 0%
Duration		3 years (maturity date: July 12, 2024)	3 years (maturity date: July 13, 2024)
Guarantor		CTBC Bank Co., Ltd. Business Department	None
Trustee		Shin Kong Bank Co., Ltd. Trust Department	Shin Kong Bank Co., Ltd. Trust Department
Underwriting Institution		IBF Securities Co., Ltd.	IBF Securities Co., Ltd.
Certified Lawyer		N/A	N/A
Certified Accountant		N/A	N/A
Repayment Method		In addition to holders of this convertible bond converting to the Company's common shares according to Article 14 of the 'Buima Group Inc. first secured convertible corporate bond issuance and conversion method' or exercising the put option according to Article 23 of this method, and the Company recovering early according to Article 22 of this method, or the Company buying back and cancelling from a securities business office, the Company will repay in cash in one payment within six business days from the day after the maturity date of this convertible bond according to the bond face value.	In addition to holders of this convertible bond converting to the Company's common shares according to Article 14 of the 'Buima Group Inc. second secured convertible corporate bond issuance and conversion method' or exercising the put option according to Article 23 of this method, and the Company recovering early according to Article 22 of this method, or the Company buying back and cancelling from a securities business office, the Company will repay in cash in one payment within six business days from the day after the maturity date of this convertible bond according to the bond face value.
Unpaid Principal		As of the publication date, the current circulating balance is NT\$200,000,000.	As of the publication date, the current circulating balance is NT\$65,300,000.
Redemption or Early Repayment Terms		Please refer to the Company's first secured convertible corporate bond (Buima one-KY) issuance and conversion method	Please refer to the Company's second secured convertible corporate bond (Buima two-KY) issuance and conversion method
Restriction Terms		None	None
Name of Credit Rating Agency, Rating Date, Corporate Bond Rating Result		N/A	N/A
Additional Rights	Amount of Ordinary Shares, Overseas Depositary Receipts or Other Securities Converted (Exchanged or Stock Optioned) as of the Date of Annual Report Publication	None	A total of 64 convertible bonds have been applied for conversion, resulting in the issuance of 104,463 ordinary shares with a par value of NT\$10 each, totaling NT\$1,044,630. The exercise of the put option has reduced the number by 283 bonds.
	Issuance and Conversion (Exchange or Stock Option) Method	Please refer to the Company's first secured convertible corporate bond (Buima one-KY) issuance and conversion method	Please refer to the Company's second secured convertible corporate bond (Buima two-KY) issuance and conversion method
Issuance and Conversion, Exchange or Stock Option Method, Issuance Conditions Regarding the Possible Dilution of Stock Rights and Impact on Existing Shareholder Rights		Please refer to the prospectus for the first secured convertible bonds (Buima 1-KY).	Please refer to the Company's first secured convertible corporate bond (Buima one-KY) prospectus
Name of the Depository for the Exchange Target		N/A	N/A

Type of Corporate Bond	Buima Group Inc. third secured convertible corporate bond (Buima three-KY) within the Republic of China	Buima Group Inc. fourth secured convertible corporate bond (Buima four-KY) within the Republic of China
Issuance Date	December 14, 2022	February 21, 2023
Denomination	NT\$100,000	NT\$100,000
Issuance and Trading Location	N/A	N/A
Issue Price	Issued at 100% of the face value	Issued at 100% of the face value
Total Amount	NT\$100,000,000	NT\$100,000,000
Interest Rate	Coupon rate 0%	Coupon rate 0%
Duration	3 years (Expiry date: December 14, 2025)	3 years (Expiry date: February 21, 2026)
Guarantor	None	None
Trustee	The Shanghai Commercial & Savings Bank, Ltd.	Shin Kong Bank Co., Ltd. Trust Department
Underwriting Institution	IBF Securities Co., Ltd.	IBF Securities Co., Ltd.
Certified Lawyer	Zhi Ding International Law Firm, Lawyer CHEN, YOU-LIANG	Zhi Ding International Law Firm, Lawyer CHEN, YOU-LIANG
Certified Accountant	N/A	N/A
Repayment Method	In addition to holders of this convertible bond converting to the Company's common shares according to Article 14 of the 'Buima Group Inc. third secured convertible corporate bond issuance and conversion method' or exercising the put option according to Article 23 of this method, and the Company recovering early according to Article 22 of this method, or the Company buying back and cancelling from a securities business office, the Company will repay in cash in one payment within six business days from the day after the maturity date of this convertible bond according to the bond face value.	In addition to holders of this convertible bond converting to the Company's common shares according to Article 14 of the 'Buima Group Inc. fourth secured convertible corporate bond issuance and conversion method' or exercising the put option according to Article 23 of this method, and the Company recovering early according to Article 22 of this method, or the Company buying back and cancelling from a securities business office, the Company will repay in cash in one payment within six business days from the day after the maturity date of this convertible bond according to the bond face value.
Unpaid Principal	As of the publication date, the current circulating balance is NT\$100,000,000.	As of the publication date, the current circulating balance is NT\$100,000,000.
Redemption or Early Repayment Terms	Please refer to the Company's third secured convertible corporate bond (Buima three-KY) issuance and conversion method	Please refer to the Company's fourth secured convertible corporate bond (Buima four-KY) issuance and conversion method
Restriction Terms	None	None
Name of Credit Rating Agency, Rating Date, Corporate Bond Rating Result	N/A	N/A
Additional Rights	Amount of Ordinary Shares, Overseas Depositary Receipts or Other Securities Converted (Exchanged or Stock Optioned) as of the Date of Annual Report Publication	None
	Issuance and Conversion (Exchange or Stock Option) Method	Please refer to the Company's third secured convertible corporate bond (Buima three-KY) issuance and conversion method
Issuance and Conversion, Exchange or Stock Option Method, Issuance Conditions Regarding the Possible Dilution of Stock Rights and Impact on Existing Shareholder Rights		Please refer to the Company's fourth secured convertible corporate bond (Buima four-KY) issuance and conversion method
Name of the Depository for the Exchange Target		Please refer to the Company's third secured convertible corporate bond (Buima three-KY) prospectus
		N/A

3. Preferred Shares: None.

4. Global Depositary Receipts: None.

5. Employee Stock Options:

- (1) As of the printing date of the annual report, impact on shareholders' rights due to the company's yet-to-be-due employee stock options: None.
- (2) As of the printing date of the annual report, managers and employees who have obtained employee stock options, whose number of stock options and the total amount of subscription reached over NT\$30 million, and are among the top ten in terms of the number of exercisable stocks: None.
- (3) Private placements of employee stock options in the last three years: None.

6. Restricted Stock Awards: None.

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

- (1) Companies that have completed mergers or acquisition of other companies' shares in the recent year and as of the printing date of the annual report should disclose the following information:
 1. No appraisal opinions have been issued by the sponsoring securities underwriter for companies whose stocks are listed on the stock exchange or approved to be traded at securities firms under Article 3 or Article 3-1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX, for the recent quarter of acquiring or taking over other companies' shares and issuing new shares.
 2. Other than companies specified in the previous item, there's no progress or benefits that have not reached the expected targets in the recent quarter. If so, the impact on shareholder's rights and improvement plans should be specifically explained.
- (2) Companies that have passed the board of directors' resolution to merge or acquire other companies' shares and issue new shares in the recent year and as of the printing date of the annual report should disclose the implementation status and the basic information of the merged or acquired companies. The ongoing mergers or acquisitions of other companies' shares and the issuance of new shares should disclose the implementation status and the impact on shareholders' rights: None.

8. Financing Plans and Implementation:

- (1) New share issuance case through cash capital increase in 2018 fiscal year
 1. Fund plan: Purchase of land for factory construction and acquisition of machinery and equipment. The main purpose is to cope with the growth of orders, optimize production processes, reduce product defect rate and unit cost, and improve product precision, hence the plan to purchase land for factory construction and acquire machinery and equipment.
 2. Source of funds: The total amount of this plan is NT\$126,000, of which NT\$93,000 is expected to be funded by issuing 5,000 new shares through a cash capital increase. Each share has a face value of NT\$10 and is issued at a premium, with a issuance price of NT\$18.6 per share, raising a total of NT\$93,000. The remaining NT\$33,000 is planned to be funded by the company's own funds.
 3. Implementation status: As of the fourth quarter of 2022, the total actual usage amount and total actual implementation progress were NT\$126,000 and 100.00% respectively, and the implementation has been completed.
- (2) Cash capital increase and the issuance of the first secured convertible corporate bonds and the second unsecured convertible corporate bonds in taiwan

1. The total amount of funds required for this plan: NT\$389,000 thousand, and the funds received are planned to be 100% exchanged into US dollars for remittance.
 2. Source of funds:
 - (1) Cash capital increase by issuing new shares

The initial proposed issuance price for the cash capital increase was NT\$60 per share, with a total expected fund-raising amount of NT\$90,000 thousand. However, due to market price changes, it was adjusted to NT\$58 per share, raising a total of NT\$87,000 thousand. The difference will reduce bank loans repayment.
 - (2) The first secured convertible corporate bonds in Taiwan

2,000 of the first secured convertible corporate bonds in Taiwan were issued, each with a denomination of NT\$100 thousand, with a 3-year issuance period, a face interest rate of 0%, issued at 101% of the face amount, and the total issuance amount was NT\$202,000 thousand.
 - (3) The second unsecured convertible corporate bonds in Taiwan

1,000 of the second unsecured convertible corporate bonds in Taiwan were issued, each with a denomination of NT\$100 thousand, with a 3-year issuance period, a face interest rate of 0%, issued at 100% of the face amount, and the total issuance amount was NT\$100,000 thousand.
 3. Execution status: The fund raised was in place in full on September 6, 2021. The company has used the funds in the third quarter of 2021 to repay bank loans and boost operational capital, and the fundraising plan was completed in the third quarter of 2021.
- (3) 2022 Cash Capital Increase and the Issuance of the Third Unsecured Convertible Corporate Bonds and the Fourth Unsecured Convertible Corporate Bonds in Taiwan
1. The total amount of funds required for this plan: NT\$290,000 thousand, and the funds received are planned to be 100% exchanged into US dollars for remittance.
 2. Source of funds:
 - (1) Cash capital increase by issuing new shares

The initial proposed issuance price for the cash capital increase was NT\$58 per share, with a total expected fund-raising amount of NT\$116,000 thousand. However, due to market price changes, it was adjusted to NT\$45 per share, raising a total of NT\$90,000 thousand. The difference will reduce bank loans repayment.
 - (2) The third unsecured convertible corporate bonds in Taiwan

1,000 of the third unsecured convertible corporate bonds in Taiwan were issued, each with a denomination of NT\$100 thousand, with a 3-year issuance period, a face interest rate of 0%, issued at 100% of the face amount, and the total issuance amount was NT\$100,000 thousand.
 - (3) The fourth unsecured convertible corporate bonds in Taiwan

1,000 of the fourth unsecured convertible corporate bonds in Taiwan were issued, each with a denomination of NT\$100 thousand, with a 3-year issuance period, a face interest rate of 0%, issued at 100% of the face amount, and the total issuance amount was NT\$100,000 thousand.
 4. Execution status: The fund raised was in place in full on May 10, 2023. The company has used part of the funds in the fourth quarter of 2022 to repay bank loans and boost operational capital, and plans to complete the fundraising plan in the third quarter of 2023.

II. Operational Overview

1. Business Content

A. Business Scope

The Company's business is divided into four major business groups, namely "Energy-Efficient Building Materials, Construction Engineering, Lithium Battery Modules, Energy Solutions." In recent years, it has actively laid out the integration of technology and traditional industries, from building materials, construction, to battery modules, and energy management, and has substantively brought into play the synergistic effects of operation and management. The Company will continue to realize its goals of investing in Taiwan and continuous innovation.

The "Energy-Efficient Building Materials Business Group" is mainly engaged in the R&D, design, production, and sales of suspended ceiling keels, metal partition walls, and metal ceilings. As a professional metal product supplier, its sales region mainly covers Europe and Asia, and its products are primarily used in airports, subway stations, commercial office buildings, hospitals, pharmaceutical factories, electronics factories, and machine rooms, etc.

The "Construction Engineering Business Group" mainly undertakes energy-related construction projects (Fishery-PV), government public works, and new social housing projects.

The "Lithium Battery Module Business Group" is primarily engaged in the R&D, production, manufacturing, and sales of lithium battery modules. Among them, precision battery modules are mainly used in smart watches, serving as the battery module supplier for leading sports wearable devices. The customized lithium battery modules cover a wide range of products including LEV light vehicles (electric bicycles, electric scooters), backup power and energy storage equipment (BBU/ESS), and applications in industrial, medical, and automotive fields. With many years of experience and perfect quality as the foundation, the Company is committed to providing battery modules for all-round industries while continuously improving product safety and R&D capabilities.

The "Energy Solutions Business Group" primarily focuses on the new business domains of "energy storage" and "energy usage." Its product offerings include distributed energy storage products like the B.E.S.T (Buima Energy Storage Tile) and the E-dReg, an "Enhanced Dynamic Frequency Regulation Reserve Capacity Auxiliary Service," for site construction and maintenance operations. Additionally, in 2023, the product line was expanded to include "Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems."

The B.E.S.T product employs Lithium Iron Phosphate (LFP) battery cells from a major Japanese battery manufacturer, featuring a hand-held wall panel system with serial and parallel connections, integration of battery module hardware and software, and a quick-install building material structure. It holds nearly ten key patents in wall energy storage and complies with international energy storage safety standards such as UL9540a, UL1973, IEC62619, IEC60730, and UL38.3. It boasts numerous exceptional product characteristics, including fire-retardant, rust-proof, water-proof, and explosion-proof properties. The specifications for a single energy storage wall are 900mm x 900mm x 67mm, identical to standard building material wall panel dimensions, with a storage capacity of 4kWh and more than 10,000 charge-discharge cycles.

Not only is this product the thinnest on the market, but its wall-mounted design also allows for easy installation. The wall's surface is finished with a baked paint, catering to diverse aesthetic themes. It represents a new type of distributed energy storage product that can be connected in series or parallel, enhancing storage capacity and stepping up to high voltage. Coupled with an excellent energy storage wall control system and an EMS energy management system, it can monitor battery temperature, voltage/current status, and analyze off-peak/peak electricity usage in real-time. This new generation energy storage solution can flexibly adjust to various spaces and demands, including residential, commercial, industrial, and electric vehicle fast-charging storage, serving as an uninterruptible power supply and voltage backup while forming a virtual grid, realizing power liberalization and enhancing grid resilience.

The "Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems" product line integrates E-bike electric control technologies. Centered around a lithium iron battery module and featuring an industry-leading dual motor system for electric tricycles, this line incorporates a "four-electric" system—electric control, battery, motor, and electrical change. This system expands the application market for electric bicycles and tricycles, distinguishing itself from traditional bicycles by incorporating smart technologies. We use big data to collect data on individual electric bicycle mileage, user preferences, and gear-shifting sensors, thus advancing the electric bicycle industry to track carbon footprints and align with international ESG sustainability goals.

B. Business Proportion

Unit: NT\$ thousand

Item \ Year	2022		2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Energy-Efficient Building Materials	1,055,134	31.71	968,916	29.67
Construction Engineering	588,872	16.08	883,136	27.05
Lithium Battery Modules	1,912,639	52.21	1,413,089	43.28
Total	3,556,645	100.00	3,265,141	100.00

C. Current Products and Planned New Products of the Company

1. Current Products

- (1) Energy-Efficient Building Materials Business Group: The Company is mainly engaged in the R&D, design, production, and sales of products such as suspended ceiling keels, metal partition walls, and metal ceilings, and is a professional supplier of metal products. The Company is known for providing rigorous product quality and rapid market R&D response, hence it can effectively utilize resources in the field of indoor metal building materials. The Company focuses on the development of products with fire protection, earthquake resistance, and reuse functions, and in recent years, it has actively developed towards the field of metal composite materials, developing composite material products with good market growth such as aluminum honeycomb composite panels and aluminum corrugated composite panels.
- (2) Construction Engineering Business Group: A grade one construction company, contracting Fishery-PV cases, new factory planning, and new housing, etc.
- (3) Lithium Battery Module Business Group: The Company is mainly engaged in the R&D, production, manufacturing, and sales of lithium battery modules. The precision battery modules are mainly used in smartwatches, serving as the battery module supplier for leading sports wearable devices. The customized lithium battery modules are based on many years of experience and excellent quality, and the Company is committed to providing comprehensive battery module solutions for the industry. The product applications cover a wide range of sectors including LEV light vehicles (electric bicycles, electric scooters), backup power sources and energy storage equipment (BBU/ESS), as well as industrial, medical, and automotive applications, etc.
- (4) Energy Solutions Business Group: Our main focus lies in the innovative business areas of “energy storage” and “energy usage.” Our products include distributed energy storage solutions such as the B.E.S.T (Buima Energy Storage Tile) and the E-dReg, which is an “Enhanced Dynamic Frequency Regulation Reserve Capacity Auxiliary Service” for site construction and maintenance. In 2023, we expanded our product line to include “Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems.” The B.E.S.T (Buima Energy Storage Tile) utilizes Lithium Iron Phosphate (LFP) battery cells from a leading Japanese manufacturer, featuring a series of nearly ten key patents in wall storage technology that integrate both serial and parallel configurations of the wall panel system, battery module software and hardware, and a quick-install structure. It complies with international energy storage safety standards, offering features such as fire retardancy, rust resistance, waterproofing, and explosion proofing. Each energy storage wall unit, measuring the same as standard building materials wall panels, has a storage capacity of 4kWh and supports over 10,000 charging cycles. Additionally, it integrates an advanced wall storage control system with an EMS energy management system for real-time monitoring of battery temperature, voltage/current conditions, and peak/off-peak power usage analysis. By the end of February

this year, two energy storage demonstration sites in Japan were operational, with further expansion expected upon official certification under Japan's JIS safety standards.

The "Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems" line powers an intelligent motor controller with batteries, allowing the rider's pedaling and handling signals to control the motor for auxiliary power. The smart electronic automatic transmission provides a smooth riding experience, and vehicles can be interactively controlled and serviced via an app. At the 2024 Taipei International Cycle Show, we officially launched our smart dual-unit technology, featuring high torque output, active safety protection, smart battery safety monitoring, and real-time system diagnostic capabilities. The "Smart Dual Unit" and the integrated "Four Electric Systems" are targeted at the high-end market for electric tricycles and bicycles in regions like the Netherlands, Germany, Belgium, Switzerland, and Poland. We already have clients from the Netherlands, Poland, and Switzerland conducting product validations on complete vehicles.

2. Planned New Products

(1) Energy Efficient Building Materials Business Group:

- Multiple high-speed punching technologies
- Development of high-precision leveling technologies and products
- Steel-aluminum composite keel system
- Modular partition, which is a sandwich structure partition system, adopts an advanced modular production concept, completes the assembly of modular blocks in the factory, reduces the workload on site, and shortens the construction period under the premise of guaranteeing the quality of modules
- Prefabricated energy storage wall panel project, with the entire energy storage wall panel being pre-manufactured in the factory. The front panel uses 0.8mm thick galvanized steel with a baked paint finish, and the back panel uses 1.5mm thick galvanized steel with a baked paint finish, with energy storage batteries installed inside. These panels are produced in the factory and assembled on-site for convenience and speed. They serve not only as interior decor but also store electricity. They can store energy during low electricity rate periods and release it during peak rate periods.

(2) Lithium Battery Module Business Group: Products under development include

- A second-generation energy storage wall capable of multiple series and parallel connections for residential energy storage and fast-charging stations for electric vehicles.
- Lithium-ion battery pack for electric bicycles - 36V, 48V
- Lithium-ion battery pack for electric beach cars - 48V/2.5Kwh
- Lithium-ion battery pack for uninterruptible power systems
- Lithium-ion battery pack for mobile commercial equipment - Scanners, printers, etc.
- Lithium-ion battery pack for wearable devices
- Lithium-ion battery pack for cordless power tools
- Lithium-ion batteries for cordless gardening tools

(3) Energy Solutions Business Group :

- Technological upgrades and new specification development for the B.E.S.T (Buima Energy Storage Tile).
- Connection between home distributed energy storage and uninterruptible power system
- Introduction of fast charging for electric vehicles to realize "street-side fast charging, stop and charge at will," solving the problem of centralized charging
- Development and design of the integrated "Four Electric" system: electric control, battery, motor, and electronic speed controller.
- UI design for energy management system

- Miniaturization of the central motor for electric bicycles.
- Development of an AI-powered control system for electric bicycles.
- Development of a power kit for domestic micro electric motorcycles.

D. Industry Overview

The Company has been involved in the research and development, production, and sale of metal decorative building materials in the past, acting as a professional metal product supplier. In September 2020, it changed its name from 'Chongyou Co., Ltd.' to 'Buima Group Inc.' The main reason for this change was that the 'Chongyou' brand focused on building materials, and the Company changed its name to 'Buima' to diversify its business model. In 2022, the Company established a new subsidiary, Buima Energy Co., Ltd., which is responsible for energy business and integrates group re-sources to continuously innovate, focusing on the development of new businesses in the 'Energy Storage' and 'Energy Usage' fields. The analysis of the industry status of the Company's current products is as follows:

1. Ceiling Keel:

The ceiling keel is a building material used to support and fix the structure. Its manufacturing technology is evolved from the wood keel manufacturing technology. It uses cold-rolled steel plates or color plastic steel plates as raw materials, adopts cold bending process to produce thin-walled steel, and goes through multiple roll continuous rolling to form a metal skeleton. After long-term development, it has formed a mature building material that is easy to shape and install. Compared with wooden keels, its main advantages are light weight, high load-bearing, moisture resistance, fire prevention, and anti-corrosion, etc., and can be used as a frame material for various ceiling systems, matched with various ceiling decoration materials such as calcium silicate boards, mineral wool boards, and metal ceilings.

The terminal application of the Company's ceiling keel products are commercial office buildings, hospital renovation projects, and sales to building material stores, mainly sold to Europe and China. The demand for ceiling keels mainly comes from the construction and interior decoration industry. With the acceleration of urbanization and the development of the construction industry, the demand for ceiling systems will also increase. Not only are ceiling keels needed in residential construction, but commercial, office, medical, and educational places also commonly use ceiling systems to provide better spatial aesthetics and functionality. Therefore, the ceiling keel market has a stable demand base.

The improvement of environmental awareness also impacts the ceiling keel industry. Many consumers and construction projects are paying more attention to sustainability and environmental friendliness. Therefore, manufacturers are paying more and more attention to reducing environmental impact in the choice of materials and the production process, such as using recyclable materials, energy-saving production, and reducing the generation of waste. The ceiling keel products of the Company are energy-saving metal building materials.

2. Metal Ceiling:

Metal ceiling products can be mainly divided into strip metal ceilings and block metal ceilings. They mainly use galvanized steel plates or aluminum plates as raw materials, and after stamping, cutting, and bending, they can provide various effects such as punching, painting, electrostatic dust collection, or adding sound-absorbing paper for sound insulation according to customer needs. Under the advocacy of the fire prevention concept in construction, the strip metal ceilings assembled with metal suspension – Kali Ceiling (strip ceiling) quickly replaced the aluminum extruded ceilings and became the mainstream in the market, giving the building better physical space and fire resistance features.

The metal ceilings produced by the Company are used in the end applications of commercial office buildings and public projects (such as subways), and its main sales targets are local building materials dealers and construction and decoration companies in China. The demand for metal ceilings mainly comes from the construction and interior decoration industry. As people's aesthetics and personalized needs for interior space increase, metal ceilings, as a unique decoration material, are receiving widespread attention. Not only are metal ceilings needed in commercial buildings like office buildings, hotels, and shopping malls, but more and more people in residential

buildings also choose metal ceilings to enhance the quality of space. Therefore, the metal ceiling market has a stable demand base.

Metal ceilings have design flexibility to meet customers' personalized needs, and the increase in environmental awareness further enhances the demand for metal ceilings to achieve richer appearance effects, durability, sustainability, and environmental friendliness.

3. Metal Partition Walls:

Metal partition walls are assembled after painting or galvanized steel plates are stamped, cut, and bent, and various types of fillers such as PU foam, rock wool, aluminum honeycomb, or paper honeycomb boards are filled inside the walls. The metal partition wall is mainly assembled with aluminum extruded or steel frames. Besides the fire resistance, weight resistance, and corrosion resistance of the metal surface material itself, different lining fillers can also achieve the effects of extending fire resistance and enhancing sound insulation.

Due to the worsening environmental pollution problem, environmental protection topics are increasingly significant. Whether in developing or developed countries, they are actively focusing on the development and use of green building materials. The metal partition wall has the advantages of being detachable, reusable, and reducing waste. The processed metal surface can achieve dust-free, anti-static, and corrosion-resistant effects. Therefore, its application scope is wide, including commercial office buildings, industrial factories, food and pharmaceutical GMP factories, clean rooms, laboratories, and medical institutions, and other types of renovations for projects that have certain requirements for environmental cleanliness.

The metal partition walls produced by the Company are mainly used in clean room renovation projects such as industrial factories, pharmaceutical factories, and machine rooms, in addition to a small part of sales for commercial partition renovations in commercial office buildings or hospitals.

4. Wearable Battery Modules (Watches, Non-wrist types):

According to the estimates by Market Data Forecast, the global market size for wearable devices such as smartwatches and wristbands is approximately US\$57.3 billion. It is expected to continue to expand at a compound annual growth rate of 18.7% from 2020 to 2027. With technological advancements, the use cases for wearable devices are continually changing, including products such as smartwatches, Bluetooth headsets, and fitness bands, with an increasing variety and functionality. As the era of the Internet of Things approaches, wearable devices can provide relevant assistance or support in daily life or work.

The wearable battery modules developed and manufactured by the Company are characterized by their small size, excellent endurance, and stable quality. They can be applied in various types of external environments and usage scenarios. Their primary terminal application is in smartwatches. As the impact of COVID-19 has increased consumers' demand for wearable devices with health-tracking and medical data collection functions, smartwatches have not only the features of traditional watches but also can meet the majority of modern needs for wearable devices. Whether it is health monitoring, daily work or outdoor sports, smartwatches can provide consumers with a more comprehensive smart lifestyle experience.

The report by market research agency Counterpoint Research pointed out that in 2021, the global smart-watch market exceeded 127 million units, with an annual growth of 24%. As the development and reliance on smartwatches increase, higher battery endurance and smaller size have become important factors for consumers when choosing smartwatches. Higher battery endurance can meet consumers' needs for all-day or even weeks of usage, and a smaller size can cope with most usage scenarios.

5. Electric Bicycle (Pedelec, E-bike) Battery Modules:

With the rise of environmental consciousness and health awareness, and improvements in battery technology, electric bicycles have become one of the main transportation options for the future. According to Prece-

dence Research, by the end of 2030, the value of the global electric bicycle industry is expected to grow to US\$40.98 billion. Benefiting from government subsidies, improved bicycle road planning, and the prevalent fitness trend, electric bicycles have become a new mode of transportation in Europe and America. Unlike traditional bicycles, electric bicycles can save riders' physical effort and meet the need for longer distances.

Compared to traditional bicycles, new electric bicycles have added a system of 'battery, motor, and electric control', which accounts for about 70% of the total cost of the bicycle. Unlike consumer electronic battery modules, the working environment for electric bicycle battery modules is more stringent, requiring high temperature resistance, low temperature resistance, water resistance, dust resistance, and shock resistance to meet consumer needs for daily commuting and even outdoor extreme sports applications. Affected by the weight of the battery module and motor equipment, the overall configuration of the electric bicycle must be adjusted, with a trend for battery modules to gradually be encased within the bicycle frame, which puts higher demands on the R&D design capabilities of battery factories.

Taiwan is a major exporter of bicycles globally, achieving an export value of US\$6.711 billion in 2023, an increase of 8.5% from US\$6.183 billion in 2022. Notably, the export value of electric bicycles alone was US\$1.838 billion, up 18.3% from US\$1.553 billion in 2022, showing a significant growth trend. The Company has years of experience in lithium battery module R&D and design, focusing on highly customized battery module products. We provide optimized battery module solutions for various types of electric bicycles, aiming for higher energy density and shorter charging times. Furthermore, continuous innovation in electric assist systems and smart control technologies enhances the riding experience and safety of electric bicycles.

These figures reflect the robust and continuous growth of Taiwan's bicycle industry, especially in electric bicycle exports. Taiwan's advanced technology, quality, and innovative products solidify its leading position in global bicycle exports, highlighting the competitive edge and influence of Taiwan's bicycle industry on the global market.

6. Data Backup Battery Units (BBU):

According to the latest prediction by Bloomberg New Energy Finance (BNEF), by the end of 2030, global energy storage devices will reach 358GW/1,028GWh, with a total investment amount exceeding US\$262 billion. The 2021 Global Energy Storage Outlook estimates that from 2021 to 2030, global energy storage devices will increase by 345GW/999GWh. The market includes not only the United States and China, but also countries like India, Australia, Europe, and Japan, which are continuously promoting the development of the energy storage industry due to policy incentives, climate change, and the demand for power grid stability.

With the advent of the 5G era, Internet of Things (IOT), AI-IoT (AIOT), Blockchain, Metaverse, and other cloud industries, the massive data storage needs of large network operators such as Google, Amazon, and Microsoft have also emerged. Data centers have become one of the most important development focuses. Trend-Force research points out that from 2020 to 2024, the global data center market size's compound annual growth rate will reach 11.5%, growing from US\$54.7 billion to US\$84.4 billion.

With the rise of server power in data centers, the demand for power stability increases. Data backup battery units (BBU) have become an indispensable part of data center equipment, providing more stable power supplies and ensuring data accuracy in case of power outages through uninterruptible power supply (UPS) systems. The Company is committed to developing high-quality, high-safety, and high-stability lithium battery data backup units (BBU). Unlike traditional lead-acid battery modules, these have the advantages of small size and high number of recharge cycles, effectively saving space and extending service life. Customization services can provide data operators with the most suitable data backup battery units (BBU) integration solution.

7. Micro Electric Vehicles:

The prospects for micro electric motorcycles in Taiwan and globally are broad, with urban transportation's growing demand for green travel and strong policy support driving a vibrant development trend in both the Taiwanese and global markets.

Current state of Taiwan's micro electric motorcycle market: Dominated by local brands like Gogoro and Kymco. In recent years, the government has actively promoted the development of electric motorcycles through various subsidies and incentives, significantly boosting market demand. In 2021, sales of micro electric motorcycles in Taiwan were around 90,000 units. By 2025, it is projected that the market size will reach approximately 200,000 units, with an annual compound growth rate exceeding 20%.

This growth is primarily due to: policy support, with the government continuously rolling out favorable policies such as purchasing subsidies and tax exemptions, significantly reducing the cost of purchasing for consumers; infrastructure development, with the construction of an island-wide battery swapping network solving charging issues and increasing product convenience; changing user habits, as more young people favor micro electric motorcycles, becoming the preferred choice for urban short-distance travel.

Global market prospects for micro electric motorcycles: Globally, the micro electric motorcycle market is also in a rapid development phase. According to predictions by Bloomberg New Energy Finance (BNEF), by 2030, the total installed capacity of micro electric motorcycles worldwide is expected to reach about 250 million units.

Key drivers of global market growth include 'policy encouragement' with various support policies by governments to promote the popularity of electric vehicles, 'technological advancement' improving battery range and reducing charging times, enhancing product performance and user experience, 'rising environmental awareness' with urban residents' increasing demand for green travel, and 'emerging markets' with demand from new markets like China and India driving global market growth.

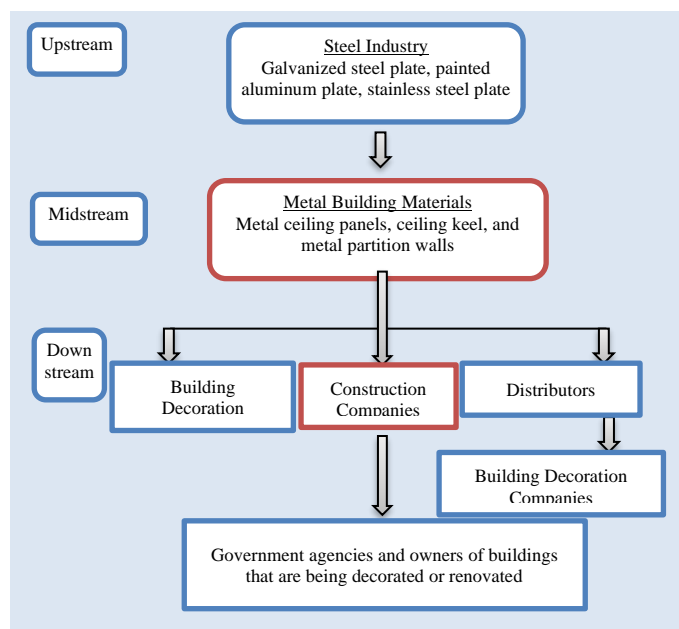
Overall, micro electric motorcycles are undoubtedly a significant choice for future urban transportation. With the joint efforts of policies, technology, and user demand, both the Taiwanese and global micro electric motorcycle markets are poised for robust development.

E. Relationship of the Upstream, Midstream, and Downstream in the Industry

The main product lines of the Group are metal building materials and lithium-ion battery modules. The relationship between the upstream, midstream, and downstream of the industries of each business unit is shown below.

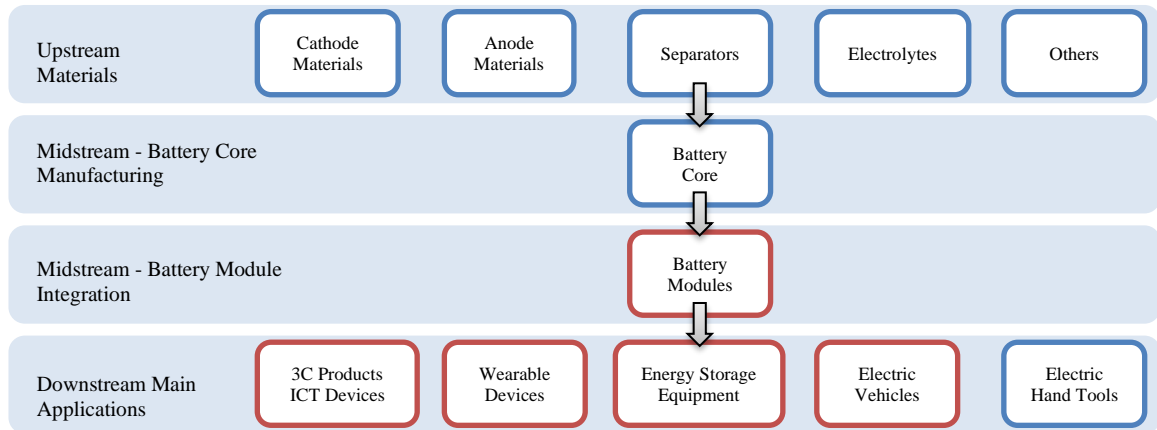
1. Energy Efficient Building Materials Business Group, Construction Engineering Business Group: The main products of the Company's Energy Efficient Building Materials Business Group are ceiling keel, metal ceiling panels, and metal partition walls. The main process involves cutting galvanized steel coils, painted steel coils, and other raw materials into actual size strips, followed by roll forming and stamping and bending processing to complete the production. Then, according to customer needs, the metal surface is processed to achieve dust collection, sound absorption, or even artistic design effects, or different fillers such as aluminum honeycomb panels, rock wool, and honeycomb cardboard are used in the layers of the metal partition walls to achieve fire and sound insulation effects. The Construction Engineering Business Group mainly contracts public works and industrial factory construction projects as the main business items. The explanation and illustration of the upstream, midstream, and downstream relationships are as follows:
 - Upstream: The steel industry, mainly supplying the raw materials needed for production, such as galvanized steel plates, painted steel plates, painted aluminum plates, and stainless steel plates.
 - Midstream: The metal building materials manufacturing industry, which uses various types of metal plates as raw materials to process and manufacture various products, and supplies interior and exterior decoration materials.
 - Downstream: The building construction-related industries, including building materials vendors, engineering companies, and construction companies, and the end downstream vendors are government agencies and building owners who are decorating or renovating.

The Group's business is in the midstream and downstream of the industrial chain, which is the metal structure, building component manufacturing industry, and construction industry. It processes the raw materials of the upstream steel industry into metal building material products to supply downstream building material vendors, engineering companies, and construction companies as the source of interior and exterior decoration materials for government or private buildings. It promotes the products to the end development through downstream building construction-related industries.



2. Lithium Battery Module Business Group: The lithium-ion battery industry structure is mainly divided into upstream materials, midstream battery core manufacturing and battery module integration, and downstream applications. Among the Group, JOULES MILES is a professional manufacturer of lithium battery modules, situated in the midstream of the industry supply chain. It provides customized solutions in response to the needs of downstream customers of intelligent sportswear devices and lightweight electric vehicle battery modules, meeting the endurance, safety, shape and size requirements of the product.

Lithium-ion battery industry supply chain:



F. Various Development Trends and Competitive Situations of the Products

1. Future industry development trends

(1) The substitution of traditional materials by metal building materials

Metal building materials have advantages over traditional materials such as wood, gypsum board, and calcium silicate board in terms of anti-seismic, moisture-proof, fire-proof, and corrosion-resistant properties. They also differ from typical cement brick materials in construction techniques, with advantages of simple construction and repeatability. Under the trend of increasing awareness of environmental protection and disaster resistance among governments and consumers worldwide, metal building materials will gradually replace traditional ones, becoming the mainstream products in the building materials market.

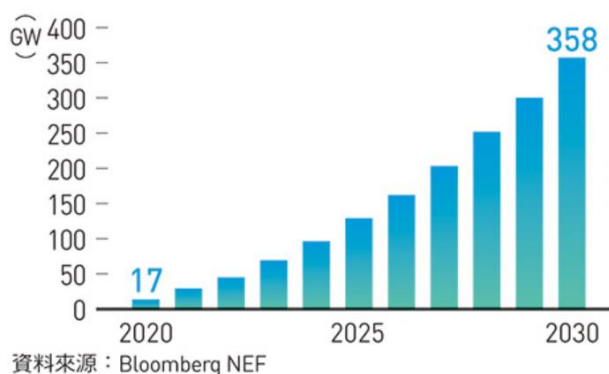
(2) Construction engineering

With the increasing demand for sustainable development and energy conservation and emission reduction, smart buildings and green buildings are gaining attention in Taiwan's construction engineering. Smart buildings use advanced technologies and systems to achieve energy conservation, automation, and intelligent management. Green buildings focus on using environmentally friendly materials, energy-saving designs, and applications of renewable energy to reduce environmental impact. The government actively promotes land planning and infrastructure development. This includes urban renewal, transportation construction, water conservancy facilities, and energy facilities. The promotion of these projects provides opportunities for the development of the construction industry and promotes the growth of related industries. Taiwan's population structure is trending towards aging, and the demand for barrier-free design and elderly-friendly buildings is increasing. The construction industry needs to consider the special needs of the elderly and disabled, providing a safe, convenient, and comfortable architectural environment.

(3) The rise of the global energy storage industry:

With the rapid growth of renewable energy and the demand for energy transition, energy storage technology has become a key solution to ensure the stability of energy supply and improve energy efficiency. Considering the intermittency and uncertainty of renewable energy, which can affect grid stability, energy storage systems offer a more flexible and convenient response. It can enhance the stability of electricity and manage the distribution of power during off-peak and peak periods. Research institute Bloomberg NEF predicts that from 2020 to 2030, the global energy storage market will be a "twentyfold" growing market, estimated to create US\$262 billion (approximately NT\$7.3 trillion).

——全球儲能裝置容量成長預估



In the Taiwan market, the pursuit of green energy generation is a priority for future government policies. Research institute InfoLink predicts that by 2030, the domestic energy storage market in Taiwan will reach a production value of NT\$200 billion. With future power shortages in Taiwan and the inability to

immediately generate large amounts of energy, the quickest solution is energy conservation, coupled with energy storage. Taiwan must walk down the path of energy storage. As the proportion of green energy gradually increases in the future, the demand for energy storage equipment will inevitably increase, presenting rising business opportunities. According to Taiwan Power Company's estimate, by 2025, Taiwan will need an additional 590MW of energy storage systems and 4GW of auxiliary services capacity. The future business opportunities are not to be underestimated. Currently, Taiwan's energy storage business is just in its initial stage, with significant future development potential.



- (4) **Energy Wall:** With the rise of renewable energy, the establishment of power grids, electricity value-added tax, and renewable energy surcharge have resulted in high electricity costs. The average electricity price in Europe is above 20 €/kWh. In particular, the domestic electricity price in Germany has risen from 20 €/kWh in 2011 to 30 €/kWh in 2021, an increase of 50%. As the proportion of renewable energy gradually increases, electricity prices will continue to rise. Using energy storage systems to manage power distribution during off-peak and peak periods has become one of the solutions for various users. According to statistics from InfoLink, there are approximately 25 million users suitable for installing solar energy storage systems (Photovoltaic, PV) in Japan, and as of 2020, there are about 500,000 users who have installed energy storage systems, showing there is a vast space for development. The Energy Wall can solve the intermittency and volatility problems of renewable energy and provide stable power supply. The commercial application of energy storage technology and energy service models are rapidly developing. Energy storage systems are not only used to provide power backup and stable power supply but can also participate in the energy market, provide grid services, and adjust energy demand. This new business model creates more value and opportunities.
- (5) **Backup Battery Units (BBU):** They are widely used in various scenarios, including data centers, communication base stations, security systems, medical equipment, industrial automation, etc. These places have a high demand for continuous power supply and cannot tolerate power interruptions. With the massive increase in data volume in data centers, the rising demand for electricity, and the gradual integration of renewable energy into the grid, the intermittency of supply could increase the risk of power outages or unstable power supply. Data centers use uninterruptible power supply (UPS) systems that automatically switch the power source to the built-in battery in case of power abnormality or interruption, preventing data loss due to power outages and maintaining normal operation of devices in the short term. Uninterruptible power supply (UPS) systems primarily used lead-acid batteries in the past, but now they are starting to use environmentally friendly, low-maintenance, and space-saving BBUs to ensure a stable power supply. For equipment or systems that require continuous operation and high data integrity and reliability, BBUs play a key role. In the event of a power outage, BBUs provide power supply to ensure the safety and availability of data.

(6) Electric Bicycles:

Technological Innovation and Performance Improvement: Electric bicycles will continue to benefit from technological innovations, including improvements in battery technology, electric motors, control systems, etc. This will result in more efficient, lighter electric bicycles, improving range, acceleration performance, and riding comfort.

Smartification and Connectivity: The application of smart technology in electric bicycles will continue to increase. For example, smart control systems, smart navigation, mobile applications, etc., these technologies can provide a better riding experience, data monitoring, and safety features.

Electric Bicycle Sharing: Electric bicycle sharing services are becoming increasingly popular in cities. In the future, it is expected that more electric bicycle sharing platforms and service providers will emerge, providing more convenient and sustainable urban transportation solutions.

High-performance and Off-road Electric Bicycles: In addition to urban commuting electric bicycles, there will be more development of high-performance and off-road electric bicycles in the future. These models will have more powerful horsepower, larger battery capacity, and more robust frames to cope with more challenging riding environments and needs.

Electric bicycles have shown strong growth trends in recent years and are expected to continue growing in the future. With increasing demand for energy-saving and environmentally friendly transportation, consumers are becoming more and more concerned about environmental protection and personal health. Electric bicycles can serve as a green, convenient, and low-carbon mode of transportation. Policy support, many countries and regions have launched policies to encourage the use of electric bicycles, such as subsidy policies, parking benefits, bicycle lane construction, etc. These policy supports have provided impetus for the growth of electric bicycles.

(7) Wearable Devices:

Smart wearable devices, especially smartwatches, have shown strong growth trends in recent years and are expected to continue growing in the future.

Health and Fitness Trend: People's attention to health and fitness is constantly increasing. As a portable health monitoring device, smartwatches can track health indicators such as heart rate, steps, sleep, and provide personalized fitness advice. This meets people's concern for their own health status.

Expanded Features and Applications: Smartwatches can not only display time, but also achieve various functions and applications by connecting to smartphones and other devices, such as answering calls, sending and receiving information, navigation, music playback, etc. This makes the smartwatch a more convenient and multi-functional device.

Accessories and Fashion Design: The design and appearance of smartwatches are constantly evolving, and many brands have launched various fashionable and personalized styles and color choices. This makes smartwatches more attractive and attracts more consumer attention.

Technological Innovation and Performance Improvement: The technology of smartwatches is constantly advancing, including more efficient processors, larger storage spaces, longer battery life, etc. This provides a better user experience and performance, making smartwatches more and more popular.

Data Analysis and Artificial Intelligence: Smartwatches can provide valuable insights and personalized advice by collecting and analyzing data. With the development of artificial intelligence technology, smartwatches will become smarter and provide more accurate and useful data analysis and guidance.

In addition to health care, sports tracking, medical monitoring, smart payments, smart home control, smart-watches can also be applied in transportation, travel navigation, social communication, and other fields, be-coming a multi-functional cross-industry platform. With the continuous development and innovation of technology, the application prospects of smartwatches in different industries are still very broad.

(8) Micro Electric Vehicles:

Based on current market development, the future trends in the micro electric vehicle industry include:

Enhanced Product Functionality and Performance: With technological advancements, future micro electric vehicles will feature longer battery life, faster charging speeds, and enhanced power performance. The vehicles will be equipped with more smart and connected features, improving user experience.

Broader Application Scenarios: Beyond traditional urban short commutes, micro electric vehicles will increasingly be used in campuses, industrial parks, and tourist areas. They will meet the personalized needs of various user groups.

Diversified Business Models: Rental and car-share leasing models will further develop. Battery swapping and replacement models are expected to expand to more areas. Integration with other modes of transportation, such as bicycles and public transit, will increase.

Increased Government Policy Support: Governments worldwide will continue to introduce favorable policies, such as purchase subsidies and tax exemptions, to further stimulate market demand. Infrastructure development, such as charging networks, will also continue to advance.

Accelerated Entry of International Brands: In addition to local brands, renowned international automotive companies will actively enter the micro electric vehicle market. Competition will foster product innovation and improve the overall industry standard.

In summary, the future of micro electric vehicles will trend towards greater intelligence, multifunctionality, and diversity in application scenarios. Business models will also become more varied and rich. Driven by policy support and technological advancements, the market is set to expand further.

2. Competitive Landscape

The Company is a professional supplier of metal products with comprehensive manufacturing capabilities in the field of metal building materials. Currently, there are many professional manufacturers of metal building materials worldwide, but their production scale and product precision vary greatly. In Taiwan, CKM APPLIED MATERIALS CORP. is the only listed company that primarily produces metal building materials; major competitors in China include Guangzhou Gold Kings Building Material Co., Ltd, Zhangjiagang New Gangxing Technology Co., Ltd., and the Beijing New Building Materials Public Limited Company; in Europe, there are companies like Hunter Douglas from the Netherlands and Orac Decor from Germany; in the United States, there are Armstrong and CMC. Each manufacturer develops different customer fields based on their own features. The Company's product line is diversified, simultaneously possessing the manufacturing and sales capabilities of ceiling keels, metal ceiling panels, and metal partition walls. It also provides customers with customized (clean and antibacterial, fireproof and explosion-proof, etc.) and diversified style ceiling panels, along with the sale of ceiling keels, metal partition walls, and mineral wool boards using a modular sales strategy. This offers comprehensive services to customers, fulfilling their needs in one purchase. In addition, the Company has excellent R&D technology and has obtained many patents, and has built a dense sales network. Its sales regions cover the entire globe, with its products being used in commercial buildings, factories, medical institutions, and public infrastructure such as subways and airports. Therefore, with the global economic recovery and the economic development plans of the governments of major sales countries, it will be beneficial for the growth of the Company's performance.

The Company has extensive experience in the R&D, design, and manufacture of lithium battery modules, being a professional developer and manufacturer of lithium battery modules. The main competitors in Taiwan are AES-KY, STL Technology Co., Ltd., and SYNergy ScienTech Corp., while the main competitors in China are Xinyi Electric Storage Holdings Limited and Pylon Technologies Co.,Ltd.. The Company has cooperated with traditional Japanese battery core manufacturers for over twenty years and has a stable partnership, ensuring the stable supply and quality of battery cores. The lithium battery module product line is rich, and sales channels are diverse. End applications are mainly in fields like electric bicycles, wearable devices, data centers, and medical care. It also has a high degree of customization ability, able to provide the most comprehensive lithium battery module planning services for customers in different industries. With the rise of green energy and environmental awareness, policy planning and environmental changes in various countries, the development of the lithium battery module industry has received attention, which has a positive effect on the growth of the Company's lithium battery module business.

G. Technology and Research & Development Overview

1. Technical Level of the Business Operations

(1) Energy-Efficient Building Materials

The Company's products are primarily applied in the field of architectural decoration. Through cooperation with well-known professional architectural design and planning information firms in the Greater China region and globally, such as IBM, Gensler, and GMP, mutual project or development cooperation maintains the Company's leading position in the field of metal building materials. For example, in the collaboration with Vanke, a well-known mainland Chinese construction company, the Company independently developed and patented a T-bar ceiling system product. Besides responding to the designers' ideas and requests, it ensures a good user experience by allowing independent disassembly during subsequent maintenance and repairs. Quick response, adequate argumentation, and impeccable design have become one of the Company's effective competitive strengths compared to other manufacturers in the industry.

As the trend towards simplicity and efficiency in the building decoration industry deepens, the Company-led standardization and modular decoration material style, stemming from modern design concepts, embodies individuality in regularity and summarizes the rules within irregularities. This enhances work efficiency in the

design, production, and construction process, reducing production costs across the industrial chain and enhancing market competitiveness.

Among its peers, the Company was the first to adopt the ERP enterprise resource management system to manage engineering projects. Through ERP's enterprise resource planning management, orderly management of internal human, machine, and material resources can be achieved. At the same time, it allows simultaneous management of upstream and downstream material procurement and project operation planning, effectively controlling inventory backlog and coordinating the arrangement of labor and materials. With the newly introduced PDA barcode management system, real-time feedback and online recording functions can be realized, further improving work efficiency and increasing corporate competitiveness.

(2) Battery Modules

The Company has over 25 years of experience in the operation of the lithium battery module business. Its diverse product line faces long development cycles, product verification, and safety certification. Under the rapid progress of cell and module technology, the Company's processes and systems have international competitiveness.

Customers primarily in the smart wearables segment have affirmed the Company's capabilities over the past decade. In precision assembly, irregular batteries, the pursuit of high performance and energy density, close communication and cooperation with cell manufacturers and system manufacturers are required. In the design of the module, to achieve the highest energy benefit while maintaining high safety, many sample experiments need to be invested to meet market and customer requirements. This product line needs to quickly respond, pursue yield, and maintain adequate flexibility to cooperate with the strategy of brand customers, thus allowing the Company to maintain advantages and competitiveness in the market.

In recent years, the layout for high-power products such as E-bikes, BBUs, ESSs, etc., is expected to see rapid growth. The main reason is the increased tariffs on Chinese exports in Europe and America, making the Company's 100% production in Taiwan and stable supply over the years attractive. Coupled with the team's ability to communicate directly with customers on lithium battery ends and system end design improvements, and to co-design and innovate with customers, this has become a competitive advantage. The Company continues to invest and layout in laboratories, production equipment, and technical talents to meet customers' diverse requirements and new types of lithium battery module applications.

Each year, we consistently add new patented technologies. In 2023, nine patents were secured, covering innovations such as "In-wall Energy Storage Fire Safety Devices for Buildings," "Stackable Energy Storage Panel Structures," "Battery Management Systems for Electric Vehicles," R&D of LED lighting integration techniques and related accessories, development of stone slab aluminum honeycomb composite wall systems, specialized square tube fitting systems, anti-detachment clean snap-fit frame aggregates, split-type steel door frames, and clip-in keels for wall panels.

2. Research and Development

(1) Energy-Efficient Building Materials:

The Company focuses on developing new products and processes for metal products and indoor and outdoor architectural decoration materials. While enhancing existing technology upgrades and product quality improvements, it is committed to developing new technologies and new processes with high market acceptance to increase the Company's competitiveness and expand the gap with competitors.

The Company has established a comprehensive R&D project incentive system. Through the project responsibility system, it adopts different levels of incentives for the project leaders responsible for R&D work, encouraging R&D personnel to develop new products, improve old processes, and focus on increasing product added value and improving production efficiency. This promotes the initiative and proactivity of R&D and process technical staff.

While cooperating with research institutions in industry-academia-research collaborations, the Company regularly collects information on new materials through architectural materials exhibitions, new technology

exhibitions, and other channels. It regularly organizes feasibility analyses for improvements to its own products and processes. After the feasibility analysis report is approved, it is submitted to the local science and technology management unit to apply for project development, making the entire development action more controllable and orderly. The Company has also passed the certification of high-tech enterprises and has become a high-tech enterprise registered with the local government.

(2) Battery Modules:

Our Energy Technology Team boasts over 25 years of experience in battery module development. Our products serve leading clients in sports technology wearables, major electric assist bicycle manufacturers, and industrial energy storage systems. This highlights the high stability and reliability of our energy cell products, which have earned long-term trust from our customers. In 2023, our research and development achievements included the mass production of 1. Lithium-ion battery packs for rental bicycle panels, 2. Lithium-ion battery packs for fiber optic fusion splicers, 3. 73Wh Uninterruptible Power Systems (UPS) lithium-ion battery packs, 4. 8Wh lithium-ion battery packs for industrial tablets, 5. 19Wh lithium-ion battery packs for industrial tablets, 6. 72Wh lithium-ion battery packs for industrial laptops, 7. Lithium-ion battery packs for medical portable ultrasound machines (ISO13485), and 8. Lithium-ion battery packs for automotive electronics (IATF16949).

For 2024, our R&D goals include: 1. Second generation stackable energy walls for home energy storage and electric vehicle fast charging stations, 2. Lithium-ion battery pack for electric bicycles - 36V, 48V, 3. Lithium-ion battery pack for electric beach cars - 48V/2.5Kwh, 4. Lithium-ion battery pack for uninterruptible power systems, 5. Lithium-ion battery pack for mobile commercial equipment - Scanners, printers, etc., 6. Lithium-ion battery pack for wearable devices, 7. Lithium-ion battery pack for cordless power tools, and 8. Lithium-ion batteries for cordless gardening tools.

(3) Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems:

Our R&D targets for 2024 include the “Smart Dual-Drive Electric Logistics Bicycle Solution.” For 2025, we plan to launch the “Miniaturized Mid-Motor and Electronic Automatic Variable-Speed Electric Logistics Bicycle Solution.” By 2026, we aim to introduce the “Smart Bicycle Automatic Variable-Speed Motor Solution.”

3. R&D Personnel and Their Educational Background

Unit: Person

Educational Level	2021	2022	2023	As of May 2024
Master's Degree and Above	4	5	5	5
University	58	65	62	63
High School (Vocational) and Below	0	0	0	0
Total	62	70	67	68
Average Years of Service (Years)	7.4	7.8	7.8	7.76

4. The R&D Expenses Invested Each Year in the Last Five Years

Unit: NT\$ thousand

	2019	2020	2021	2022	2023
R&D Expenses (A)	46,739	52,749	55,735	81,617	105,321
Net Operating Income (B)	995,002	1,010,442	2,718,787	3,663,215	3,265,141
(A)/(B) (%)	4.69	5.22	2.05	2.22	3.23

5. Successful Technologies or Products Developed in the Most Recent Year

Year	R&D Projects	Description of R&D Results
2020	Purification Board Pressing Process Improvement	The Company has improved the pressing process of the purification plate, facilitating production and saving costs.
	New Concealed Frame System Development	The structure and installation method of the concealed ceiling were redesigned, thereby optimizing the structure, reducing installation difficulty, avoiding the risk of falling off, and lowering manufacturing costs.
	A Hidden Steel Aluminum Keel Suspension System	The structure and installation method of the concealed ceiling were redesigned, thereby optimizing the structure, reducing installation difficulty, avoiding the risk of falling off, and lowering manufacturing costs.
	Improved K-Series Wall Panel System	Improvements have been made to the K series wall panel system, making it easier to produce and install.
	Fiberglass Composite Metal Ceiling	The performance of the glass wool board is not inferior to Soundtex sound-absorbing paper, and it also has the advantages of being moisture-proof and mold-resistant. Its prominent features and price advantages will greatly reduce manufacturing costs when used.
	Hidden Frame Strip Ceiling System	The strip panel has a beautiful appearance and a variety of colors. The clear and smooth lines, beautiful shape, and different colors can combine to form a variety of decorative styles, creating different visual effects.
	Improved Steel Door	The structure of the all-steel door has been improved to match walls of more thicknesses.
	L50 Ventilation Louver	Ventilation louvers that match the 50mm thick wall panel.
	Storage Rack Hanger	The storage plate hanger facilitates production and improves efficiency.
	Pyramid Ceiling Suspension System	Its unique styling features and integrated lighting structure, combined with different color matches, have gained market favor. Promotion will surely yield a larger market.
	New Solon Code Structure Development	There are two styles of the new Solon codes, one is a single rivet structure, and the other is a bidirectional riveting structure. Its structure is attached to the T24 keel, and it comes with M6 screws that can be used in various hanging methods, making personalized designs such as irregular ceilings and double-layer ceilings possible.
	Anodized Aluminum Plate	A composite wall panel made with an anodized board as the panel.

Year	R&D Projects	Description of R&D Results
	Powder Baked Ceramic Aluminum Single Board	Powder paint is a solid powder paint composed of solid resins, pigments, fillers, and additives. It has functions and artistic effects such as pure inorganic non-combustion (A1), high hardness (6H, 9H), super weather resistance (>30 years), super high wear resistance, super self-cleaning, etc.
	A Reinforced Pull Brace Hidden Frame System	By reinforcing the long edge, the problem of sagging is solved, the strength of the concealed frame board and the flatness of the board surface are improved; the use of the short edge imprinting method to a certain extent reduces the use of keel, reducing costs; the product has more selling points, a broad market prospect, and expected profit.
2021	Automatic Production Equipment for Battery Conductive Sheet	AUTOMATIC PRODUCTION EQUIPMENT FOR BATTERY CONDUCTIVE SHEET, patent number M620685.
	Battery Health Detection Module	Battery health detection module, patent number M620602.
	Automatic Voltage and Temperature Calibration Device for Battery Control Board	Automatic correction device for voltage and temperature of battery control board, patent number M620602.
	A New Steel-Aluminum Composite Keel Suspension System	The structure and installation method of the concealed ceiling were redesigned, thereby optimizing the structure, reducing installation difficulty, avoiding the risk of falling off, and lowering manufacturing costs.
2022	Battery Capacity Estimation Module	Battery capacity estimation module, patent number M623524.
	An Assembly Partition Fixed with M-Type Aggregate and M-Type Clip	The structure and installation method of the metal wall panel were redesigned, thereby optimizing the structure, reducing installation difficulty, avoiding the risk of falling off, and lowering manufacturing costs.
	Automatic Production Equipment for Battery Conductive Sheet	AUTOMATIC PRODUCTION EQUIPMENT FOR BATTERY CONDUCTIVE SHEET, patent number I771156.
	Automatic Voltage and Temperature Calibration Device for Battery Control Board	Automatic correction device for voltage and temperature of battery control board, patent number I773427.
	Inner Wall (Battery Module)	Patent number 3239431 (Japan).
	Interior Walls of Buildings	Patent number ZL 2022 2 1778822.9 (China).
	Parallel Balancing Structure of Battery Module	Patent number M635597.
	Parallel Balancing and Its Control Device of Battery Module	Patent number M632330.
	Improved Structure for Using Flexible Circuit Board as Interconnecting Monitoring Line Function of Battery Pack	Patent number M632096.
2023	Serial Guide Structure for Welding Nickel Sheets of Battery Pack	Patent number M631372.
	Interior Wall (Energy Storage Wall with Fire Protection Device)	Patent number I789314.
	Energy Storage Stack Plate Structure	Invention number I805310.
	Battery Management System for Electric Vehicles	Patent number M643147.
	Research and Development of LED Lighting Integration Processes and Related Accessories	Patent number ZL 202321098556.X.
	Development of Rock Plate Aluminum Honeycomb Composite Wall Panel Systems	Patent number ZL 202330539136.X.

Year	R&D Projects	Description of R&D Results
	Development of Special Square Tube Installation Accessory Systems	Patent number ZL 202320553059.8.
	Development of Anti-detachment Structured Clean Snap Fastener Frame Components	Patent number ZL 202330114337.5.
	Development of Split-type Steel Door Frames	Patent number ZL 202330539148.2.
	Development of Keel for Clip-in Wall Panels	Patent number ZL 202321683340.X.

H. Long-Term and Short-Term Business Development Plans

1. Short-term plan

(1) Marketing Strategy

- I. Continuously discuss with existing customers the co-innovation of lithium battery modules and systems, and discuss the new generation products of the industry with customers through the battery technology development (Roadmap), to ensure that the upstream and downstream can keep pace with the times.
- II. Collaborating with customers to co-design models showcased at international exhibitions such as the Taipei International Cycle Show, Eurobike, and EICMA Motor Expo in Italy. In partnership with investment firms, we are launching domestically produced electric motorcycle batteries and electric control systems, utilizing existing sales channels.
- III. Integrate products and sales channels, break away from each business division selling its own products and sales channels, launch module sales of products (such as: metal ceiling panels with suspended ceiling joists; metal partition walls with metal ceiling panels, etc.), and place them into the sales channels of each business division to maximize the sales of product combinations.
- IV. Develop strategic partners with scale and experience, combine and utilize the advantages of the company's various products, achieve resource sharing, and create a win-win situation.
- V. Increase and strengthen the training of the company's technical service team, serve and timely support the strategic partners in the various needs of sales products, to improve overall sales performance.
- VI. Strengthen the expansion of brand and product awareness for building materials by advertising on social platforms such as WeChat and the internet to enhance the company's brand recognition and achieve maximum marketing effectiveness. Continue to develop international markets and, in alignment with the New Southbound Policy, expand into the Southeast Asian market.

(2) R&D Strategy

- I. By the challenges of battery module applications in the market, such as the maintenance feedback in the electric bicycle market, the R&D team can optimize software and products in tandem to respond to the actual application of the customer side, reducing the total cost of ownership (TCO) of the customer side.
- II. Appropriately module design parts by the competitive advantage accumulated in the application of lithium battery products, in order to accelerate product development speed and improve the reliability and dependency of products.
- III. Improve process yield and shorten production cycle to reduce cost and shorten time to market.
- IV. Continuously developing modular and standardized metal building materials, actively collaborating with top domestic and international design firms and new material research entities to keep abreast of the latest market trends and enhance technical collaboration.
- V. Integrating core technologies of smart automatic variable-speed electric-assist bicycles from our associate companies and swiftly transitioning them into our next-generation electric-assist logistics vehicle systems.
- VI. Optimistic about the growth of electric vehicles and the demand for energy storage, the company uses group resources to introduce Energy-Efficient Building materials and energy storage systems, develops various micro-grid solutions, and devises investment maximization and modular integration schemes.

(3) Production Strategy

- I. The development of lithium battery cells is rapid, in the process automation of module production, a lot of automatic equipment such as welding, brazing, assembly has been invested to stabilize product quality and reliability, continuously improve and refine production efficiency and quality.
- II. Integrating battery production and “Four Electric” system technologies within the group, from the R&D phase, designing to produce batteries with international competitiveness. Establishing a cloud platform that aligns with automatic inspection machine designs, enabling real-time tracking of production progress and quality data during contract manufacturing tests to comprehensively enhance quality, reduce the RMA rate, and lower overall costs.
- III. Improve the degree of automation in the production of metal building materials, introduce professional assembly line equipment, such as high-speed punching lines, high-precision leveling machines, fully automatic sheet metal flexible bending centers, etc., to help improve production efficiency and process level.

2. Medium to Long-term Plan

(1) Marketing Strategy

- I. We aim to exploit numerous innovative and cross-disciplinary product collaboration opportunities, using the Company’s diverse resources to provide more efficient and faster solutions, thus creating high-value solutions for the market.
- II. Through participation in large exhibitions held annually, we plan to promote the Company’s image and brand awareness, thus exploring potential customers and even developing new distribution opportunities.
- III. Electric-assist bicycle systems establish stable sales volumes through co-design with brand clients and expand into more branded models using a product line strategy; offering national certification fee reimbursement schemes for electric motorcycle system solutions when customers purchase a certain quantity of products.
- IV. We are actively developing the Asia-Pacific building materials market, with a particular focus on the ASEAN market. Given that ASEAN governments are vigorously promoting infrastructure projects and attracting for-foreign investment, the demand for the construction of commercial buildings and industrial factories in these areas is expected to greatly increase. The Company has been engaging with the ASEAN market for some time and has a track record of working locally or with Taiwanese enterprises, such as the rectification projects of Formosa Plastics and VEDAN factories in Vietnam, supplying metal ceilings for Jakarta Airport in Indonesia, and metal wall panels for the Philippine subway. These successful experiences can guide our participation in public facilities and factory building projects.
- V. We are venturing into the green energy/energy industry, developing energy-related solutions, and re-searching new products as a new engine for business development.

(2) Research and Development Strategy

- I. The third-generation semiconductors led by electric vehicles and the Internet of Things will make our products smarter and more efficient. The accompanying energy supply will be more diversified and the market will be segmented, offering a new opportunity for the launch of the next generation of products.

- II. The electric-assist bicycle system incorporates electronic automatic transmission and electronic ABS braking integration solutions.
- III. We plan to continue developing and applying for patents to protect our R&D achievements and provide the Company with the best patent protection.
- IV. By mastering key technologies, we aim to actively develop more advanced and precise products to increase market share and maintain our leadership position.

(3) Production Strategy

- I. Our primary focus is on reducing labor costs, shortening delivery times, and ensuring quality, to establish a competitive advantage in our production mode.
- II. We aim to localize and scientize production management, deeply cultivate the local labor market, and reduce employee turnover and mobility.
- III. With automated production, not only can we improve product quality and reliability, but we can also reduce the number of operators and production costs. The introduction of automated industrial robots can enhance product craftsmanship and increase market competitive-ness.
- IV. We plan to integrate and guide suppliers to introduce the ERP management system, achieve fine, orderly logistics operation management, reduce operating costs, shorten delivery times, ensure quality, and strengthen them as long-term partners of the Company.
- V. Smart, lightweight, domestically produced electric motorcycle system products, with a focus on national and standardized specifications.

2. Market and Production Overview

A. Market Analysis

1. Main Product (Service) Sales (Provision) Regions

Unit: NT\$ thousand

Year Regions		2022		2023	
		Sales Amount	Ratio (%)	Sales Amount	Ratio (%)
(China)		636,378	17.89	574,365	17.59
Export	Europe	351,676	9.89	172,566	5.29
	Asia	2,203,310	61.95	2,170,369	66.47
	Other	365,281	10.27	347,841	10.65
	Subtotal	2,920,267	82.11	2,690,776	82.41
Total		3,556,645	100	3,265,141	100

2. Market Share

The Company has experience installing its metal ceiling panels in commercial office buildings and subway constructions. The Company is expected to enjoy significant growth opportunities in China's 13th Five-Year Plan and long-term railway construction plans. According to the data provided by Intelligence Research Group, the market size of China's clean room engineering industry in 2023 is estimated to be RMB 145 billion, which is approximately NT\$652.5 billion. The Company's 2023 business revenue from metal partition walls is NT\$177,650 thousand, resulting in an estimated market share of about 0.04%.

The lithium battery modules are growing in various niche industries, with a high proportion among leading brand clients. In recent years, the Company has expanded into areas like E-bikes, E-cargo Bike, BBUs/ESS, AR/VR, expect-ing high-speed growth, thereby improving its market share.

3. Future Market Supply and Demand Conditions and Growth Potential

(1) Demand Side

Energy Efficient Building Materials Business Group 、Construction Engineering Business Group :

- I. The products of our company are primarily used in commercial buildings, factories, cleanrooms, and public infrastructure. The future development of our products is closely linked to the economic conditions of our primary sales regions and the infrastructure and economic development plans of various governments. Moreover, in terms of public infrastructure, China's continuous increase in infrastructure investment, such as in high-speed railways, highways, and airports, coupled with the acceleration of urbanization, is driving the growth in demand for real estate and related building materials.
- II. In recent years, China has aggressively pursued the development of the semiconductor industry, introducing several semiconductor-related policies. Qualified semiconductor enterprises can enjoy ten years of corporate income tax exemption, exemption from import duties on related equipment, and accelerated corporate listing approval processes. With the Chinese government's ongoing push for semiconductor self-sufficiency, the extensive construction of new semiconductor fabrication plants is reshaping the market structure, and the demand for cleanroom construction in China is expected to continue rising.

- III. Taiwan's construction market is vibrant, with the government strongly promoting green buildings, which drives the development of related design, materials, and construction sectors. This includes the application of green building technologies such as smart buildings and passive buildings.
- IV. The demand for industrial park construction is increasing due to government efforts to promote these parks to attract investment and stimulate economic development, which in turn drives the demand for building materials and construction services.

Overall, with the economic recovery in our main sales regions, government-driven infrastructure projects, and long-term economic revitalization plans, we expect steady growth in the demand for our products in commercial buildings, factories, medical institutions, and public constructions, which will significantly contribute to the future growth of our company's performance.

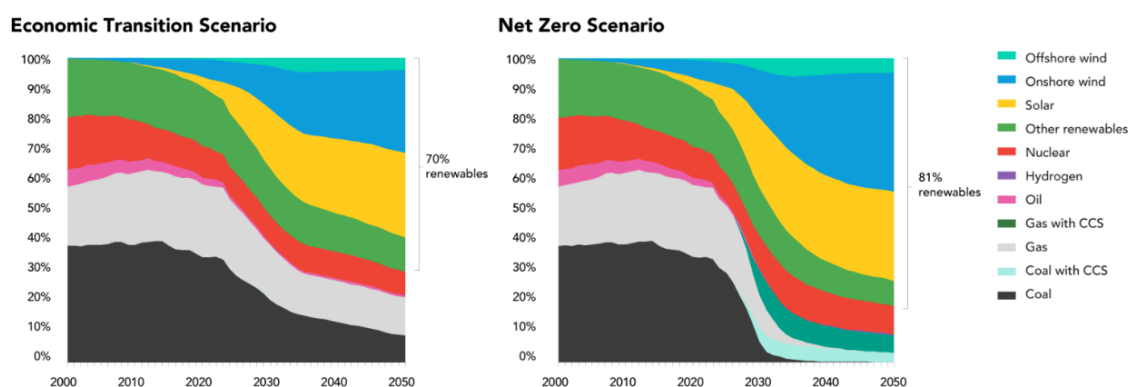
Lithium Battery Module Business Group :

I. Aging power system

The traditional grid structure in Taiwan currently supplies electricity to end-users through three main systems: power generation, transmission, and distribution. Power generation is concentrated and power is uni-directional and cannot be stored. Any system failure may result in power rationing or blackouts. With the return of Taiwanese businesses to local production and the electrification of end products, the demand for electricity is increasing. If the future supply of green energy cannot make up for the gap in nuclear power, the potential power problems will become increasingly serious.

II. Policy and Carbon Neutrality Accelerate the Development of Taiwan's Renewable Energy Market, Driving Rapid Growth in Energy Storage System Demand

According to Bloomberg New Energy Finance (BNEF)'s "Taiwan Renewable Energy Market Outlook" report, Taiwan's government has set clear renewable energy targets, aiming for renewables to account for 20% of total electricity generation by 2025, with plans to further increase this proportion in the future. The development of renewable energy is directly correlated with the demand for energy storage. Solar energy is becoming the main driver of growth, with Taiwan's solar installation capacity expected to reach 35GW by 2030, with rooftop distributed photovoltaic systems being a primary source of growth. Offshore wind power is also developing rapidly, with the potential to reach an installation capacity of 20GW by 2030 in Taiwan. To accommodate the intermittency of renewable energy, the demand for energy storage systems in Taiwan is expected to grow rapidly, with the capacity of energy storage systems likely to exceed 20GWh by 2030.



Source: Bloomberg New Energy Finance (BNEF) "Taiwan Renewable Energy Market Outlook"

- III. Purchase of green power certificates to strengthen supply chain competitiveness

Currently, Taiwan Power Company can only average the carbon reduction of renewable energy procurement among all users and cannot directly sell green energy. This results in Taiwanese manufacturers either having to purchase green energy directly from renewable energy manufacturers or buy it through green energy retailers who incorporate the green energy into the grid. The Bureau of Standards, Metrology and Inspection of the Ministry of Economic Affairs then issues a green power certificate (T-REC). However, building transmission lines from green power plants is prone to instability and high costs, so the current market practice is often the latter, also known as “Bundled RECs”. Alternatively, self-generating users (units that do not need green power certificates) can sell green power certificates separately through the re-newable energy certificate management platform, meeting the needs of green power certificate users, a method known as “Unbundled RECs”.

IV. Rapid Growth in the Electric Vehicle Market

According to the latest forecast by the professional research firm TechNavio, the global electric bicycle (E-bike) market is expected to maintain a Compound Annual Growth Rate (CAGR) of 6.95% over the next five years. This growth will increase the global electric bicycle market size to approximately US\$16.48 billion by 2028, creating favorable conditions for our company’s business expansion.

Europe’s bicycle inventory is expected to be normalized by Q4 2024, and by 2025, the global electric bicycle market will return to a normal annual compound growth curve (5-7%). Particularly, the growth of electric-assisted cargo bicycles will outperform other models. In recent years, our company has focused on developing smart electric cargo bicycle systems, with all new products complying with the latest EU regulations (EN15194:2017+A1:2023/EN50604-1/EU 1542), welcoming new opportunities post-pandemic. Moreover, the EU and the US continue to increase import tariffs on Chinese bicycle products, which positively benefits Taiwanese products. The micro electric vehicle market will see a surge in replacements due to mandatory registration policies, combined with the government’s localization policy, benefiting the sales of electric motorcycle batteries.

(2) Supply Side

Energy Efficient Building Materials Business Group 、Construction Engineering Business Group:

- I. There are numerous domestic companies engaged in the research and design, production, and sales of professional metal products such as ceiling keels, metal partition walls, and metal ceilings. But in terms of scale and company maturity, listed companies such as CKM APPLIED MATERIALS CORP., Well Pool Co., Ltd., and SONG HO INDUSTRIAL CO., LTD. have more market competitive advantages. However, due to the Company’s experience and the brand recognition of the mainland building materials brand “Chongyou”, they also represent significant barriers to entry for professional metal building materials manufacturing and sales. The Company has been in the field of metal building materials for a long time and has continued to diversify its business model in recent years. Besides striving for domestic engineering projects, it has also begun to expand its deep cultivation in Taiwan to create greater synergies, making it one of the important suppliers in the market.
- II. Cleanroom engineering can be widely used in the power electronics industry, medical industry, and light and heavy industries. In the future, in line with the Thirteenth Five-Year Plan and the numerous economic revitalization and industrial reform plans announced by the Chinese government, the upgrade of various industries in China and the increased threshold of GMP certification requirements will inevitably drive more cleanroom demand. Therefore, it is expected

that the supply of cleanrooms will increase in tandem with economic development and industry transformation.

- III. As market competition intensifies, the profitability of products is expected to gradually decrease under the price competition of peers, and peers with poorer conditions will exit the market. However, in situations where performance and profits are more compressed, manufacturers will adopt strategies to reduce costs for profit growth. The economies of scale and improved production processes will increase capacity utilization, and the combination of products with patents and research and development technology will further improve product quality and competitiveness. In summary, the future metal building materials industry will move towards more efficient, automated production to meet the ever-expanding market demand.

Lithium Battery Module Business Group :

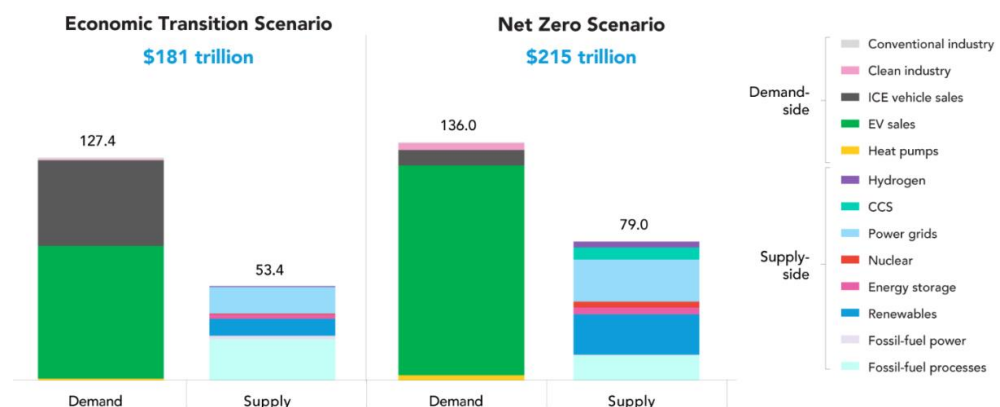
I. Electric Vehicles

The electric-assisted bicycle systems have become more competitively priced due to reductions in battery costs. Furthermore, ongoing increases in import tariffs on Chinese bicycle products by the EU and the US, along with new regulatory requirements, have led to a price rise in Chinese competitive products, making our company's products comparatively more competitive. Micro electric vehicles will further phase out low-priced Chinese products due to battery passport regulations and localization requirements, giving our domestically produced batteries a competitive edge in the market.

II. Net-zero emission policies boost the proportion of renewable energy

According to the "Taiwan's Pathway to Net-Zero Emissions in 2050" planned by the National Development Council, the power generation from renewable energy will account for 60% of the total power generation in 2050. As the grid-integration ratio of renewable energy gradually increases, its intermittent power supply weakness will enhance the risk of power outages or unstable power supply, significantly impacting residential and industrial power consumption.

To address future power shortages, the government allocated about NT\$500 billion in 2022 for enhancing renewable energy capacity, strengthening the power grid, adding energy storage facilities, and planning to maintain power supply stability. According to Bloomberg New Energy Finance, the global energy storage market is expected to rapidly grow from approximately US\$20 billion in 2020 to about US\$210 billion by 2050.



III. Large-scale power users clause (Article 12, Paragraph 3 of the Renewable Energy Development Act)

It stipulates that appropriate equipment should be installed at power consumption sites or suitable locations for renewable energy generation, energy storage, or a certain quota of green energy certificates should be purchased (large-scale power users can only buy “Bundled RECs”). Those who fail to comply with the regulations shall pay fees to the competent authority specifically for the development of renewable energy. Energy storage systems can also serve as emergency backup power or support EV charging and other additional applications. Given the shortage of green energy certificates, energy storage systems offer another excellent choice for large power consumers.

4. Competitive Niche

(1) Building Materials: Product Development, Technology, and Testing Capabilities

The Company’s R&D strength in building materials is recognized by the industry, backed by an experienced R&D team. We actively interact with upstream and downstream partners to stay attuned to industry trends and provide customized services based on client needs. Our ability to develop specialized products at the design phase, backed by effective patent protection, enhances the added value of our products. Future R&D will focus on standardization, modularization, and customization to meet customer demands and strengthen our competitive edge. The Company possesses advanced R&D equipment and testing laboratories, enabling in-house performance testing from the early stages of development to effectively control the R&D success rate and ensure product quality and market launch timing.

(2) Building Materials Factory: Capacity and Performance

The Company boasts significant production capacity with facilities in Songjiang, Shanghai, and Zhenjiang, Jiangsu, featuring world-leading sheet metal processing equipment to continually increase capacity. Highly automated production lines, including flexible bending centers and high-speed punching equipment, significantly enhance production efficiency and product quality, capable of handling complex and varied processes, thus creating high technical barriers.

With a robust production management system in place—from designing production flows and process simplification to technological enhancements—we spare no effort in significantly enhancing product quality while effectively controlling production costs, providing our products with exceptional market competitiveness. Our strict quality control policies have earned us high trust from clients, enabling us to maintain long-term stable supply relationships. Whether in terms of production capacity, technological level, or order fulfillment capabilities, the Company holds a notable competitive advantage within the industry. Our strong production capabilities, coupled with stringent quality control, enable us to undertake large-scale public construction and high-end commercial projects, ensuring high-quality and stable supply for our clients.

(3) Lithium Battery Modules

Product Innovation Advantage: By integrating patented technologies into production, we not only differentiate our products from competitors but also enhance their market competitiveness, which in turn boosts the Company’s revenue and profitability.

Quality Assurance Advantage: Originating from the U.S. military battery module market, our products are renowned for their reliability and quality assurance, favored by major Japanese manufacturers due to their high stability and proven track record.

R&D Strength Advantage: Our R&D team, with over twenty years of experience in battery module design and manufacturing, possesses exceptional customization and innovative capabilities, highly acclaimed internationally.

(4) Electric Transportation Vehicles

With in-house R&D capabilities combined with the Group's battery factory production, we hold a cost advantage and have acquired patents and technologies related to intelligent electronic automatic transmission systems for electric assist systems, key to the growth of electric bicycle products post-2025. We continue to invest in micro electric vehicle channels, securing over 300 dealership channels for micro electric vehicles.

5. Advantages, Disadvantages, and Strategies for Future Development

(1) Advantages

I. The demand for new metal building materials continues to grow, promising a bright industry outlook

With the continuous strengthening of environmental protection consciousness, traditional gypsum board partitions or ceilings have their material limitations, bringing adverse effects to the surrounding environment during their production and installation processes. In the future, new metal building materials, which are recyclable and whose production process is sustainable, will replace some gypsum-based materials, contributing to a rapid increase in the demand for metal building materials. Moreover, given the continuous rise in labor costs in China, standardized products that facilitate construction and efficient installation will be increasingly popular in architectural decoration projects. This trend is also a driving force for the continuous growth in demand for new metal building materials.

II. Lithium-ion batteries replacing lead-acid batteries has become a trend

Unlike traditional lead-acid batteries, lithium-ion batteries possess characteristics such as high energy density, long life span, compact size, and low pollution. For downstream applications, they meet consumer needs such as high endurance, high safety, and small form factor, making them suitable for wearable devices. They can also adapt to more harsh working environments and satisfy consumers' extreme outdoor sports applications. They are widely used in electric bicycles, and in recent years, data centers have begun to introduce BBU lithium batteries. Considering space benefits, post-maintenance, and disposal costs, lead-acid batteries have lost their initial cost advantages. The proportion of backup batteries in the future is expected to rise rapidly.

III. Rising health consciousness in the post-pandemic era

Smartwatches with functions covering entertainment, sports data recording, blood oxygen detection, and other health management have become the mainstream in wearable devices. With the influence of the COVID-19 pandemic, public health consciousness has increased, and the demand for health monitoring has risen. In 2021, the global sales volume of smartwatches maintained double-digit growth. Looking forward, with the boost from remote healthcare and mobile health demand, the research institute Digitimes Research predicts that the shipment volume could reach 163 million units by 2023, driving growth in the lithium battery business.

IV. Constantly increasing demand for global data centers

With the advent of the 5G era and the rapid development of technologies such as AI, IoT, AIoT, and cloud computing, plus the impact of COVID-19 leading to more remote work and distance learning, cloud service providers like Amazon, Microsoft, Google, and Meta are actively building data centers to handle massive data storage and computation. To prevent data loss due to energy concerns, the demand for uninterruptible power systems (UPS) will increase accordingly.

V. Rising Demand for Electric Transportation Vehicles

The global market for electric transportation vehicles is experiencing rapid growth. Due to the EU and US anti-dumping tariffs on China, there is a clear trend towards "de-Chinalization" of

traditional bicycles, which has boosted the demand for electric bikes. Additionally, the bicycle inventory accumulated during the pandemic has largely been depleted, and the widespread use of electric-assist bicycles for logistics in European and American households has further driven the market demand. Furthermore, micro electric bicycles, due to their high cost-effectiveness and domestic production advantages, have sparked a consumer replacement wave, accelerating the development of this niche market. Overall, electric transportation vehicles are becoming a hot spot in the global market, both for consumer and commercial logistics applications, with immense future growth potential.

(2) Unfavorable Factors and Countermeasures

I. Major Fluctuation in Upstream Raw Material Prices

The main raw materials required for the production of the Company's suspended ceiling keel, metal ceiling panels, and metal partition walls are steel materials. The Company has not signed a long-term purchase contract with major suppliers, so shortages or price increases of raw materials may adversely affect the Company.

Countermeasures:

> The Company, while keeping an eye on raw material market prices and adjusting the volume of raw material procurement as needed, has developed several stable raw material suppliers. It has also built a long-term good relationship with the current major supplier over many years, with no shortages or interruptions in supply.

II. Exchange Rate Fluctuations May Affect Profits

The proportion of the Company's exports to its total revenue is relatively high, and the foreign export part is paid in US dollars, so fluctuations in the exchange rate will have some effect on profits.

Countermeasures:

> Opening a US dollar deposit account, using the US dollar proceeds from exports to support foreign procurement payments, through offsetting foreign currency liabilities and debts by natural hedging, reduces the risk of exchange rate fluctuations.

> When customers remit payment to the Company's bank account, the Company will adjust foreign exchange positions as necessary, based on capital needs and trends in exchange rates. The Company can take necessary measures (such as hedging forward foreign exchange transactions) to reduce the impact of exchange rate changes on its revenue and profit.

> Using real-time foreign exchange information provided by correspondent banks as a basis for business and procurement personnel to quote and purchase raw materials. Therefore, when quoting foreign customers, the impact of exchange rate fluctuations on selling prices is considered, and product prices are adjusted accordingly to mitigate the impact of exchange rate fluctuations on company revenue and profit.

III. Price Fluctuation of Battery Core Raw Materials

With the increase in the price of anode materials and the global shortage of lithium-ion batteries, the price of battery cores has increased.

Countermeasures:

The Company has maintained a good cooperative relationship with suppliers for many years, so the situation is not a concern. At the same time, it negotiates with major customers to provide demand forecast quantities, adjust inventory based on the market situation of battery cores, and reflect prices in a timely manner.

IV. Reduction in Average Prices of Vehicles During the Pandemic Due to Major Brands Discounting Inventory

Countermeasures:

> The Company offers dual-drive models that provide better value for money than central motor systems.

V. Requirement for Localized Production of Electric Bicycles in Europe

Countermeasures:

> The Company directly exports complete vehicle design solutions for local production by small and medium-sized European brands.

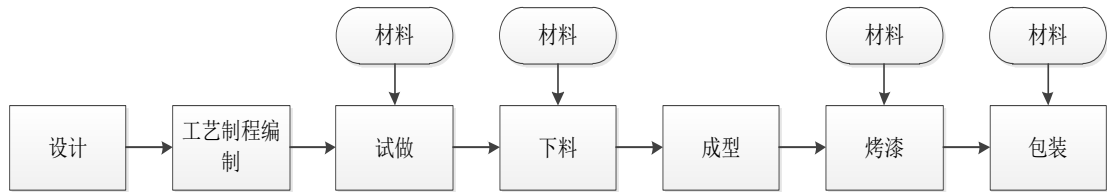
6. Major Uses and Production Process of Major Products

(1) Major Uses of Main Products

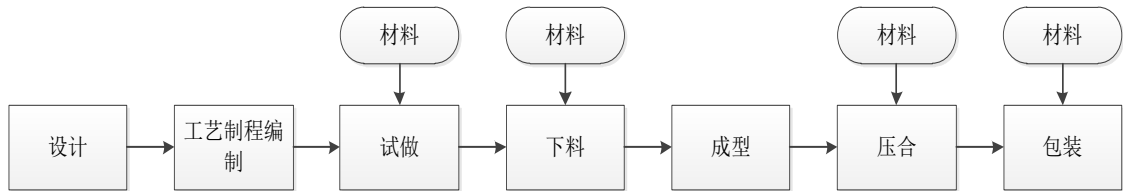
Main Products	Important Uses and Functions
Suspended Ceiling Keel	Primarily used for the installation of mineral wool boards, metal ceiling panels, etc., it is divided into visible, hidden, and semi-hidden frames. Its seismic resistance can ensure that the entire ceiling frame maintains orderly deformation and rebound during earthquakes. The fire-resistant keel is a suspended ceiling keel that has deformation holes punched in advance in the keel body. Through structural parts, the connection between the suspended ceiling keels is made more tight, thus ensuring that the suspended ceiling keel system will not collapse at high temperatures, buying more time for escape.
Metal Partition Walls	Primarily applied in clean factories, electronics factories, pharmaceutical factories, etc., which require higher cleanliness, or equipment rooms that have special requirements for electronic shielding. It has a reasonable buckle-type structure that ensures the product will not fall off even when subjected to a strong impact during use. It also has a simple fixing method and low construction difficulty. The filling material inside can be changed according to different usage scenarios to achieve special requirements such as fire prevention, sound insulation, and heat insulation. The electronic radiation shielding performance of the metal panel material can better protect the electronic equipment in the equipment room from unwanted electronic signal interference, and at the same time effectively control the radiation from the equipment room itself from leaking out.
Metal Ceiling Panels	Primarily used in commercial spaces, large public spaces, and other decorative areas. On the one hand, it decorates the open civil space with its shape, color, and structure, avoiding pipes and construction traces being exposed to users. On the other hand, it increases sound absorption by punching its surface and lining it with sound-absorbing paper, or achieves insulation and heat preservation by lining it with thermal insulation rock wool and aluminum foil.
Wearable Battery Modules	Mainly used for power supply in smart watches, it features small size, long service life, and stable power supply. It also provides customized services according to different customer product models.
Electric Bicycle Battery Modules	Primarily used for power supply in electric bicycles, it has high temperature resistance, low temperature resistance, waterproofing, dustproofing, and shock resistance to meet the needs of consumers for various types of outdoor activities. It can also change the module shape according to customer requirements, to be enclosed within the frame of the electric bicycle, achieving integration, weight balance, and aesthetic mid-range needs.
Data Backup Battery Units	Primarily used in data center server power systems to ensure the overall operation of the data center in the event of a sudden power outage, ensure data accuracy, and also improve the overall stability of the power supply.
Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems	Powered by batteries, these bicycles utilize a smart motor controller, which, through the rider's pedaling and operational signals, assists in driving the electric logistics bicycle; The smart automatic variable-speed function offers a smooth riding experience and allows for interactive vehicle control, product usage, and after-sales service via an app.

(2) Production Process of Main Products

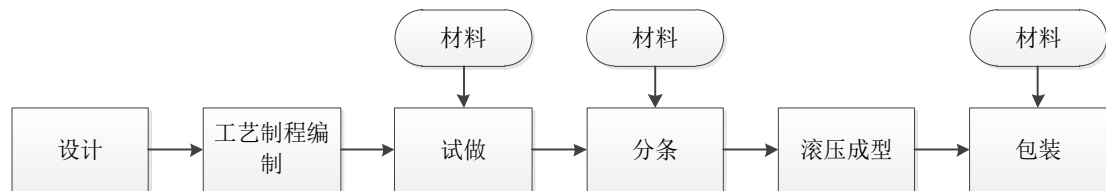
I. Suspended Ceiling Keel



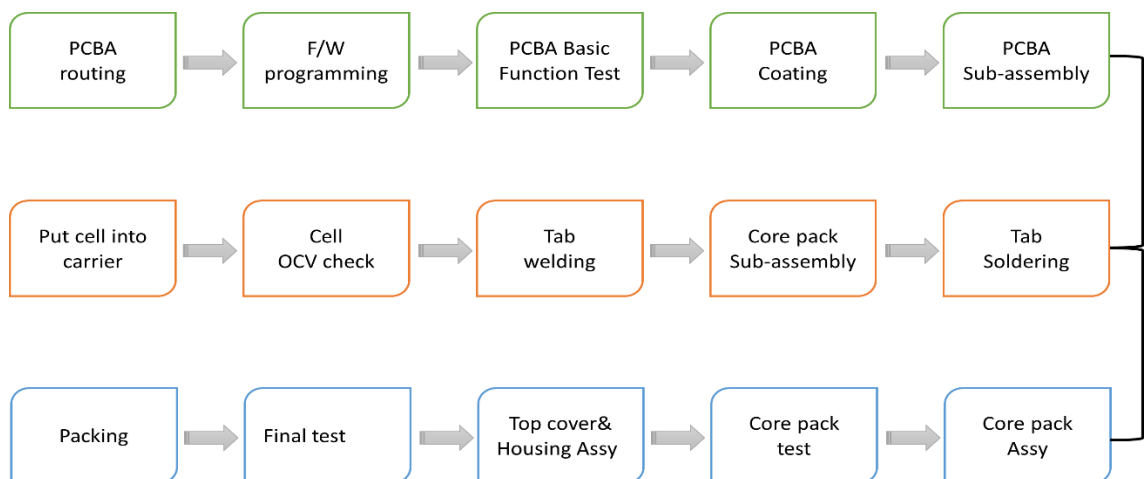
II. Metal Partition Walls



III. Metal Ceiling Panels



IV. Lithium Battery Modules



I. Smart Automatic Variable-Speed Electric-Assist Bicycles and Micro Electric Systems

The Company independently develops core technologies related to batteries, electric controls, motors, system software, AIoT, and quality management. Batteries are produced within the group's factories, while electric controls and motors are outsourced for production.

7. Supply Status of Major Raw Materials

Main Raw Material	Source	Supply Status
Steel Coils	Suzhou Yuzhu Shanghai Zhongjian	Good Good

8. Explanation of significant changes in gross margin of main products or departments in the past two years

(1) Analysis table of gross profit from sales of main products in the past two years

Item \ Year	Gross Margin in 2022	Gross Margin in 2023	Gross Margin Change Rate
Decorative Building Materials	13.47%	9.12%	-32.29%
Construction Projects	12.04%	14.28%	18.60%
Lithium Battery Modules	13.03%	11.97%	-8.14%
Gross Margin	12.66%	11.75%	-7.19%
Explanation:			
The overall gross profit margin in 2023 decreased compared to the same period last year, mainly due to the company acquiring 45.83% of the shares of Shin Jin Company Limited, which changed the product mix of the company.			

(2) Price and volume difference analysis (change of over 20%): The gross profit margin did not change by 20% in the past two years, hence no analysis is conducted.

(3) For construction companies or those with construction departments, they should list the expected recognition of business income and gross profit analysis for the reporting year and the previous year, explaining any abnormalities in the gross profit margin of each case and the expected sales situation of completed but unsold projects: Not applicable.

9. List of major buyers and sellers

(1) Names of suppliers who accounted for more than ten percent of the total purchases in any year of the past two years, along with their purchasing amounts and proportions, and explanation of their changes:

Unit: NT\$ thousand

No.	2022				2023				2024 Q1			
	Name	Amount	As % of Total Net Procurement	Relation with issuer	Name	Amount	As % of Total Net Procurement	Relation with issuer	Name	Amount	As % of Total Net Procurement	Relation with issuer
1	Supplier D	670,638	23.98	None	Supplier D	162,314	8.27	None	Supplier D	17,696	3.64	None
2	Supplier E	301,726	10.79	Other related parties	Supplier E	132,490	6.75	Other related parties	—	—	—	—
	Other	1,823,983	65.23	—	Other	1,667,945	84.98	—	Other	468,935	96.36	—
	Net Procurement	2,796,347	100.00	—	Net Procurement	1,962,749	100.00	—	Net Procurement	486,631	100	—

Analysis and explanation of changes in the main purchasing entities:

In 2022 and 2023, the company mainly purchased steel coils and battery cells from the above suppliers. The changes were mainly due to the addition of the lithium battery business unit by the company, and the active search for other suppliers in the raw material market with complete product lines and competitive prices and trading conditions to diversify the risk of over-concentration in procurement.

- (2) Names of customers who accounted for more than ten percent of total sales in any year of the past two years, along with their sales amounts and proportions, and explanation of their changes:

Unit: NT\$ thousand

No.	2022				2023				2024 Q1			
	Name	Amount	As % of Total Net Sales	Relation with issuer	Name	Amount	As % of Total Net Sales	Relation with issuer	Name	Amount	As % of Total Net Sales	Relation with issuer
1	Customer A	401,952	11.30	None	Customer A	363,779	10.97	None	Customer A	68,365	7.42	None
	Net Sales	3,556,645	100	—	Net Sales	3,265,141	100	—	Net Sales	921,502	100	—

Analysis and explanation of changes in main sales entities:

The company's largest sales customer in 2022 and 2023 was Customer A. In 2022, after the company merged with JOULES MILES CO., LTD., the group's business income increased significantly, leading to an increase in the sales proportion of Customer A, thus entering the list of the group's main sales customers.

10. The production volume for the most recent 2 fiscal years

Unit: thousand meters; thousand square meters; NT\$ thousand

Year Product		2022			2023		
		Capacity	Volume	Value	Capacity	Volume	Value
Decorative Building Materials	Ceiling Keel	67,000	22,652	675,999	67,000	12,410	465,368
	Metal Partition Wall	700	502		700	302	
	Metal Ceiling	600	284		600	204	
Lithium Battery Module		10,000	6,736	1,568,146	10,000	5,105	1,413,850
Other		37,225	—	37,225	40,000	—	28,101
Total				2,281,370			1,907,319

Note: Capacity refers to the quantity that can be produced by the company using existing production equipment under normal operation after measuring necessary shutdowns, holidays, and other factors.

Analysis and explanation of changes:

In 2023, due to interest rate hikes, the global economy continued to decline, so the demand for building materials in the foreign market decreased, resulting in a significant decrease in the demand for goods compared to previous years and a decrease in the production volume of the company's decorative building materials. As for the lithium battery module department, this was mainly because the company merged with JOULES MILES CO., LTD. in 2021.

11. The volume of units sold for the most recent 2 fiscal years

Unit: thousand meters; thousand square meters; NT\$ thousand

Sales Product		Year		2022				2023			
				Domestic Sales		Export Sales		Domestic Sales		Export Sales	
				Volume	Value	Volume	Value	Volume	Value	Volume	Value
Decorative Building Materials	Ceiling Keel			5,445		24,228		3,174		14,350	
	Metal Partition Wall			368	486,190	1	237,650	252	296,451	1	197,556
	Metal Ceiling			244		10		202		12	
Lithium Battery Module				3,768	625,240	—	1,824,371	1,025	265,840		1,147,249
Other				—	61,920	—	858,246	—	40,570	—	1,317,475
Total				—	1,173,350	—	2,383,295	—	602,861	—	2,662,280

Note: Export refers to sales to regions outside of China.

Analysis and Explanation of Changes:

In 2023, the Company was affected by interest rate hikes, causing a decline in sales in the domestic and export markets in mainland China. The sales of ceiling joists, metal partition walls, and metal ceilings all showed a downturn both domestically and abroad. The increase in other items is mainly due to a significant increase in the revenue of the Company's construction business.

3. Data on Employees for the Past Two Years and Up to the Date of the Annual Report Publication

Year		2022	2023	As of April 30, 2024
Number of employees	Management staff	48	47	47
	General staff	283	275	279
	Direct employees	682	653	662
	Total	1,013	975	988
Average age		40	40	40
Average years of service		5.51	5.51	5.61
Percentage of employees at each education level	PhD	3.88	3.88	3.88
	Master	7.22	7.10	7.12
	University	41.4	42.5	41.1
	High school (Vocational) and below	47.5	46.52	47.6

4. Environmental Protection

- (1) Description of the application, payment, or establishment of pollution control facilities, emission permits, or pollution control fees as required by law:

The Company's manufacturing process does not generate special pollution, so there is no need to apply for pollution permits or emission permits.

- (2) List of the Company's investments in major equipment for pollution prevention and their uses and potential benefits:

December 31, 2023: Unit: RMB

Equipment Name	Quantity	Acquisition Date	Investment Cost	Undepreciated Amount	Purpose
Wastewater treatment - High purity	1	2010/07/16	280,393	12,900	Processing production wastewater
Integrated steel dust collector	1	2014/08/20	83,761	15,460	Dust and ash collection during machine cutting

- (3) The process of improving environmental pollution in the past two years and up to the date of the annual report publication, and if there are any pollution disputes, they should explain their handling process: None.
- (4) Description of the losses suffered by the Company due to pollution in the past two years and up to the date of the annual report publication (including compensation and violations of environmental protection regulations), and disclosure of the current and future estimated amounts and response measures. If it cannot be reasonably estimated, explain the fact that it cannot be reasonably estimated: None.
- (5) Current pollution status and its impact on the Company's profits, competitive position, and capital expenditures, and the expected significant environmental protection capital expenditures in the next two years: None.

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.

1. Employee Welfare Measures, Employee Continuing Education, Training Status

The Company's Zhenjiang factory area is equipped with a staff canteen, gym, community center, indoor and outdoor sports facilities, and dedicated parking lot, providing services to employees with benefits such as shuttle buses, dormitories, and free utility bills for accommodations; the Shanghai factory area has a community room and dedicated parking factory. We value employee welfare, provide a good working environment, and implement various employee welfare measures: The Company and Chinese factories set aside budgets each year for planned dinners; corresponding to festive holidays, factory areas are decorated and fun activities are held, as well as hosting Family Day, Sports Day, Birthday Party, Annual Party, etc., and provides emergency assistance, holiday gifts, and travel subsidies for employees. In terms of training, the Company has a comprehensive employee education and training system, divided into pre-job training, on-the-job training, and through internal and external training methods, to maintain the foundation of the Company's sustainable operation and development. Supervisors and employees can send staff or apply themselves to participate in courses and training organized by external institutions, to enhance the professional abilities and core competitiveness of employees, and strengthen the complete training and further education channels for employees.

2. Employee pension system and its implementation

The Company, to stabilize employees' life after retirement, follows the law to establish a labor retirement plan. Based on the "Labor Standards Act," the Company has a retirement system for employees and organizes a supervisory committee for labor retirement reserves as required, setting aside retirement funds and legally storing them in the trust department of Taiwan Bank. All employees who meet the requirements of the retirement plan can legally receive their retirement funds.

Since July 1, 2005, in accordance with the implementation of the Labor Pension Act, the Company has been making monthly contributions of 6% of wages to the individual retirement accounts of the Labor Insurance Bureau for new employees and existing employees who have opted for the new pension system. At the same time, for existing employees who have chosen to apply the old retirement system and for the retained years of service under the old system of existing employees who have chosen to apply the new retirement system, the Company continues to calculate and set aside an appropriate amount of retirement reserves to a dedicated account at Taiwan Bank according to the retirement payout standards of the original employee retirement plan. In line with the "Labor Standards Act", the Company has an established employee retirement plan. When an employee wishes to apply for retirement, they must do so through the human resources system. Once the human resources unit confirms the retirement plan chosen by the employee, they can proceed with the application process. Furthermore, the Company organizes a supervisory committee for labor retirement reserves as required, setting aside retirement funds, and legally storing them in the trust department of Taiwan Bank. At present, all employees of the Company choose the new labor retirement system, and there are no employees

who choose the old system. The subsidiaries of the group located in the People's Republic of China, the Company pays the old-age insurance for employees according to the relevant regulations.

3. The status of labor-management agreements

The measures and provisions regarding the Company's labor relations are all based on relevant laws and regulations. The Company has always adhered to the management style of autonomy and full participation. Between each department manager and their subordinates, through various business meetings, education and training, effective communication, the labor relationship has always been harmonious. To shape a united team, a dedicated unit is set up to deal with employee suggestions. Regular labor-management communication meetings are held, and new employee orientation and other levels of employee discussions are organized by the human resources department. Employees can also exchange opinions through dedicated phone lines and emails, carry out two-way communication on the company's various systems, benefits, policies, and work environment, and serve as important references for administrative management, maintaining good interaction between labor and management.

4. Measures for preserving employees' rights and interests

The Company has an employee handbook, which clearly defines the rights, obligations, and welfare items of employees to protect employee rights and interests.

- (2) In the past two years and up to the date of the annual report publication, the losses suffered by the company due to labor disputes (including violations of the Labor Standards Act in the results of labor inspections, the dates of rulings, ruling references, violations of regulations, violation content, and content of rulings) should be disclosed, along with the estimated amount that may occur in the future and response measures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained.

The Company and its subsidiaries have had no labor disputes in the past two years and up to the date of the annual report publication.

6. IT Security Management

- (1) Information Security Management Structure: The Company's information security management is under the responsibility of the Information Department, which is staffed with an information supervisor and professional engineers. They are primarily responsible for formulating the company's information security policies, planning information security measures, and executing related information services, ensuring system operations, data protection, equipment stability, and network security. Within the group's organizational structure, the Information Department reports directly to the President and is subject to ongoing audit by the internal audit unit.

- (2) Information Security Management Policy: All company colleagues have an obligation to protect company business information, secrets, patents, processes, formulas, and intellectual property rights. They are not permitted to use personal computers within the company, copy or access any unauthorized media files. Any data received through internal equipment is considered company property and applies to all staff, whether directly employed, indirectly involved, or contracted. If any violation occurs, the company reserves the right to claim damages. The information security management policy is also detailed in the "Internal Control System" and "Management Regulations," defining control requirements and involved matters as follows:

1. Internal Control System: The "Computerized Information System Processing Cycle" in the internal control system explicitly includes "Information Security Inspection Control Items." The content targets information responsibilities, network security, file backup, document preparation, host protection, equipment management, personal information protection, public information reporting, etc., to regulate control emphasis.
2. Management Regulations and Corresponding Forms: The internal management regulations have relevant information security management methods and are executed in conjunction with the forms listed below:

Management Regulation Name	Corresponding Management and Form
Function and Responsibility Division of the Information Processing Unit	-
System Development and Procedure Modification Operations	Computer Program Function Change Application Form
Control of System Document Preparation	Computer Program Function Change Application Form, Data List-Operation Manual, Data List-Software, File Data Borrowing Book
Control of Program and Data Access	ERP System Permission Application Form, Network System Account Application Form, Resignation Form
Control of Data Output/Input	Computer Program Function Change Application Form
Control of Data Processing	-

Security Control of Files and Equipment	Backup Data List, Software Violation Inspection Record
Control of Hardware and System Software Purchase, Use, and Maintenance	Purchase Request Form, Computer Equipment Repair Application Form
Control of System Recovery Plan System and Testing Procedures	-
Control of Information Security Inspection	Information Security Rules Agreement Form, Information Security Inspection Form
Public Information Reporting Operations	-

- (3) Information Security Management Plan: The Company is continuously implementing the following related management plans and measures to achieve the goal of overall information security enhancement.
1. Computer Equipment Security Management
 - (1) Access control devices are installed in the company's machine room, personnel entries and exits must be registered, accompanied by the information department personnel at all times, and operational conditions are recorded.
 - (2) Independent air conditioning is equipped in the machine room to ensure all related mainframes operate at an appropriate temperature, and uninterrupted power systems and APS power switch systems are planned to ensure operational safety.
 - (3) Fire-fighting equipment and several dry chemical fire extinguishers are installed inside and around the machine room to minimize the threat of fire.
 2. Network Security Enhancement Management
 - (1) Enterprise-grade firewalls are installed at all external network entrances to prevent illegal intrusion.
 - (2) Company staff are required to log in when using the network, and usage tracks are recorded.
 - (3) Regularly review network service logs and track abnormalities while adjusting network policies at any time.
 3. Virus Protection Management

Well-known antivirus software is installed on servers and colleagues' computers, with regular updates required. The email server is equipped with virus and spam filtering mechanisms to prevent virus intrusion through emails.
 4. System Access Control

If colleagues need to use the internal system, they must apply for permission and get approval from the responsible supervisor before the information department can establish an account and control its permissions.

When colleagues retire, resign, or take leave without pay, etc., their email and information permissions are revoked as soon as the relevant business is suspended, as notified by the HR department.
 5. Sustainable Operations and Disaster Response Plan

All information systems and network public areas are backed up daily and weekly in differential and full offsite backups, with regular audits.

The information department commissions an external information company to conduct disaster recovery drills on the company's main systems each year.
 6. Information Security Promotion

Information security lectures are given as part of the company's new employee training, such as guidelines on network usage, system access, email usage, and safety rules.

Information security reminders are published irregularly.
- (4) (4) Resource Input for Information Security - To implement the information security management plan, the Company has invested the following resources:
1. Hardware: Firewalls, uninterruptible and APS systems, backup hosts.
 2. Software Protection: Antivirus software, email servers, backup software.
 3. Network Line: Multiple network lines, enterprise-grade dedicated lines, VPN.
 4. Daily Checks: Regular backups and equipment inspections.
- (5) (5) Explanation of the Impact of Major Information Security Incidents in the Past: No major information security incidents occurred in the past three years.

7. Important Contracts

Contract Type	Parties	Contract Duration	Main Contents	Restrictions
Joint Venture Contract	Odenwald Faserplattenwerk GmbH	2005/4/28 ~ Present	The two parties jointly established OWA Metalic, and then invested in Ouhuama New Type Building Materials (Shanghai) Limited Company.	None
Sales Contract	China Electronics System Engineering No.2 Construction Co., Ltd.	2022/08/01 ~ Present	Changchun Jinsai Pharmaceutical Factory Project	None
Sales Contract	Craftsman Engineering Co., Ltd.	2022/08/15 ~ Present	Hohhot Yili Cheese Factory Project	None
Sales Contract	Minsheng E-COMMERCE Co., Ltd.	2021/08/31 ~ Present	First and Second Phases of Shenzhen Qianhai Minsheng Internet Building	None
Sales Contract	Guangzhou Special Energy Environmental Technology Co., Ltd.	2022/08/02 ~ Present	Guangzhou Traditional Chinese Medicine Hospital Project	None
Sales Contract	Xiamen Henglong Construction Engineering Co., Ltd.	2022/07/20 ~ Present	Maluan Bay Engineering Project	None
Sales Contract	Shenzhen Jincheng Air Conditioning Purification Technology Co., Ltd.	2022/06/10 ~ Present	Jiangsu Dongcai Engineering Project	None
Sales Contract	Fuzhou Lixing Technology Engineering Co., Ltd.	2022/09/20 ~ Present	Xiamen Rail Transit Subway Station Project	None
Sales Contract	Nanjing Qintai New Material Technology Co., Ltd.	2022/06/07 ~ Present	Huaian Financial Center Project	None
Sales Contract	Armstrong Building Products (Suzhou) Co., Ltd.	2022/09/07 ~ Present	Metal Ceiling Processing Project	None
Sales Contract	Huaian JieTai New Energy Tech Co., Ltd.	2023/04/06 ~ Present	JieTai New High-efficiency Battery Construction Project Mechanical and Electrical Installation Bid	None
Engineering Contract	Pingtung County Government	2020.02.26 ~ Present	Comprehensive construction of a multi-story car park on the east side of Hengchun Town Hall	None
Engineering Contract	Port of Kaohsiung, Taiwan International Ports Corporation, Ltd.	2020.11.23 ~ Present	Kaohsiung Port Seventh Container Center Plan - Operational Management Building and nearby buildings in the gate area	None
Engineering Contract	TAIYEN GREEN ENERGY CO., LTD.	2020.11.01 ~ Present	Yizhu Fishery Power Cogeneration EPC Turnkey Civil Engineering in Chiayi	None
Engineering Contract	TAIYEN GREEN ENERGY CO., LTD.	2020.12.01 ~ Present	Yizhu Fishery Power Cogeneration EPC Turnkey Substation Engineering in Chiayi	None
Engineering Contract	National Housing and Urban Regeneration Center	2021.12.01 ~ Present	New Comprehensive Construction of "Renwu Anju" Social Housing in Renwu District, Kaohsiung City	None
Engineering Contract	Pingtung County Government	2022.07.25 ~ Present	Chuhuo Park and Life Experience Tourism Area Plan	None
Engineering Contract	Evergreen Marine Corporation	2022.02.10 ~ Present	7th Container - Operation Management Building Indoor Decoration Engineering (including mechanical and electrical air conditioning)	None
Engineering Contract	Bureau of Cultural Affairs, Kaohsiung City Government	2022.08.12 ~ Present	Gangshan Sports Center Construction Project	None
Engineering Contract	Evergreen Marine Corporation	2022.11.25 ~ Present	7th Container - Phase I Building Indoor Decoration Engineering	None
Engineering Contract	TAIYEN GREEN ENERGY CO., LTD.	2020/11/01 ~ Present	TaiYan Green Energy Fishery Power Cogeneration Site Civil Engineering	None
Letter of Intent for Cooperation	Roctona Co., Ltd., Japan	2024.01.01 ~ Present	Green Energy Storage Business (Battery Energy Storage Technology Wall) Letter of Intent for Cooperation	None

III. Financial Information

1. Condensed Balance Sheet and Comprehensive Income Statement for the Last Five Years

(1) Condensed Balance Sheet and Comprehensive Income Statement Information - International Financial Reporting Standards

1. Condensed Balance Sheet

Unit: NT\$ thousand

Year		Financial information for the last five years					
Item		2019	2020	2021	2022	2023	2024 Q1
Current assets		750,546	1,112,552	2,585,752	2,928,478	2,611,334	2,486,192
Property, plant and equipment		235,996	258,817	492,239	576,101	638,758	690,553
Right-of-use assets		39,330	77,163	106,613	180,632	203,865	200,648
Intangible assets		847	144,453	156,270	164,563	152,364	150,251
Other assets		60,170	195,855	369,340	243,244	401,058	360,253
Total assets		1,086,889	1,788,840	3,710,214	4,093,018	4,007,379	3,887,897
Current liabilities	Before distribution	875,762	875,762	1,933,342	2,469,569	2,467,707	2,295,853
	After distribution	N/A	N/A	N/A	N/A	N/A	N/A
Non-current liabilities		18,312	164,076	438,275	290,686	338,307	348,584
Total liabilities	Before distribution	1,039,838	1,039,838	2,371,617	2,760,255	2,806,014	2,664,437
	After distribution	N/A	N/A	N/A	N/A	N/A	N/A
Total equity attributable to owners of parent		615,971	624,984	810,131	696,221	620,259	644,188
Share capital		357,000	357,000	373,045	373,045	393,045	393,045
Capital reserve	Before distribution	261,814	233,254	307,576	273,503	314,606	314,041
	After distribution	233,254	N/A	N/A	N/A	N/A	N/A
Retained earnings	Before distribution	61,678	90,338	183,573	85,274	-13,768	2,424
	After distribution	61,678	N/A	N/A	N/A	N/A	N/A
Other equity		-37,193	-55,608	-54,063	-35,601	-73,624	-65,322
Treasury stock		—	—	—	—	—	—
Non-controlling interest		137,204	124,018	528,466	646,842	581,106	599,272
Total equity	Before distribution	753,175	749,002	1,338,597	1,343,063	1,201,365	1,243,460
	After distribution	724,615	N/A	N/A	N/A	N/A	N/A

Note 1: The Company prepares its financial reports in accordance with International Financial Reporting Standards, so there are no financial reports prepared according to our country's financial accounting standards.

Note 2: Consolidated financial statements that have been audited or reviewed by accountants.

2. Condensed Statement of Comprehensive Income

Unit: NT\$ thousand

Year	Financial information for the last five years					
Item	2019	2020	2021	2022	2023	2024 Q1
Turnover	995,002	1,010,442	2,718,787	3,556,645	3,265,141	951,502
Gross profit	282,558	280,107	567,102	463,682	383,587	148,166
Operating Profit and Loss	48,334	40,845	237,826	36,677	(68,700)	32,360
Non-operating income and expenses	-1,791	-3,767	(8,948)	23,892	(32,511)	11,754
Net profit before tax	46,543	37,078	228,878	60,569	(101,211)	44,114
Net profit for the period from continuing operations	46,543	37,078	228,878	60,569	(101,211)	44,114
Loss from discontinued operations	—	—	—	—	—	—
Net profit (loss) for the period	30,561	26,670	149,163	21,424	(116,199)	31,572
Other comprehensive income (net of tax) for the period	-32,779	10,218	657	23,478	(45,038)	11,088
Total comprehensive income for the period	2,218	36,888	149,820	44,902	(161,237)	42,660
Net profit attributable to owners of the parent company	22,510	28,660	118,225	(60,962)	(99,042)	16,192
Net profit attributable to non-controlling interests	8,051	-1,990	30,938	82,386	(17,157)	15,380
Total comprehensive income attributable to owners of the parent company	-4,818	37,573	119,770	(42,500)	(137,065)	24,494
Total comprehensive income attributable to non-controlling interests	2,600	-685	30,050	87,402	(24,172)	18,166
Earnings per share (NT\$)	0.63	0.8	3.26	(1.63)	(2.57)	0.41

Note 1: The Company prepares its financial reports in accordance with International Financial Reporting Standards, so there are no financial reports prepared according to our country's financial accounting standards.

Note 2: Consolidated financial statements that have been audited or reviewed by accountants.

- (2) Significant matters affecting the consistency comparison of the above financial statements: None.
- (3) CPA Audit Status

1. CPA Audit Status

Year	CPA	Firm	Opinion
2019	QIU, ZHAO-XIAN、LAI, ZONG-YI	PwC Taiwan	Unqualified opinion
2020	QIU, ZHAO-XIAN、LAI, ZONG-YI	PwC Taiwan	Unqualified opinion
2021	QIU, ZHAO-XIAN、LAI, ZONG-YI	PwC Taiwan	Unqualified opinion
2022	WU, JIAN-ZHI、QIU, ZHAO-XIAN	PwC Taiwan	Unqualified opinion
2023	WU, JIAN-ZHI、QIU, ZHAO-XIAN	PwC Taiwan	Unqualified opinion

2. If there has been a change of accountants in the past five years, an explanation of the reasons for the change by the company, the former and successor accountants should be provided: The company changed its certified accountant in 2022 due to internal rotation regulations set by the accounting firm according to relevant laws.

2. Financial Analysis for the Past Five Years

(1) Financial analysis - International Financial Reporting Standards

Item		Year	Financial information for the last five years				
		2019	2020	2021	2022	2023	2024 Q1
Financial Structure (%)	Debt to assets ratio	30.70	58.13	63.92	67.27	70.02	68.02
	Long-term capital to property, plant and equipment ratio	268.77	304.87	360.98	283.59	241.04	230.55
Solvency (%)	Mobility Ratio	238.00	127.04	133.75	118.58	105.82	108.29
	Quick Ratio	184.20	101.41	81.52	76.45	69.11	69.62
	Interest cover multiplier	7.31	511.02	1127.61	239.15	-52.1	178.44
Operating Capabilities	Receivables turnover rate (times)	3.80	3.10	4.9	4.70	4.34	5.49
	Average number of days of receipt	96	118	74.48	77.66	84.1	66.52
	Inventory turnover rate (times)	3.93	4.90	4.64	3.78	3.42	3.72
	Turnover rate of accounts payable (times)	14.17	7.11	5.72	3.76	21.36	6.5
	Average number of sales days	93	74	78.66	96.67	106.72	98.04
	Property, plant and equipment turnover rate (times)	3.85	4.08	7.24	6.86	5.38	5064
	Total Asset Turnover (Times)	0.91	0.70	0.99	1.24	0.81	0.91
Profitability	Return on Assets (%)	3.29	2.33	6	1.83	-1.65	4.21
	Return on Equity (%)	4.02	3.55	20.4	2.92	-9.21	9.62
	Net income before income tax to paid-in capital (%)	13.04	10.39	61.35	16.24	-26	11.22
	Net profit rate (%)	3.07	2.64	5.49	0.58	-3.59	3.43
	Earnings per share (NT\$)	0.63	0.8	3.26	(1.63)	-2.57	0.41
Cash Flow	Cash flow ratio (%)	34.33	-14.69	-4.9	2.24	12.82	-4.82
	Cash flow fair ratio (%)	379.22	32.79	-3.43	-4.12	356.63	-183.14
	Cash reinvestment ratio (%)	7.54	-15.31	-6.68	-7.00	14.71	-15.44
Leverage	Operating leverage	2.04	2.27	1.29	3.68	-0.61	1.69
	Financial leverage	1.18	1.28	1.1	-5.57	0.51	1.86
Reasons for changes in the financial ratios for the last two years:							
1. Decrease in Quick Ratio: This is mainly due to the substantial increase in current liabilities after the acquisition and consolidation of 45.83% equity of SHIN JIN, which included its short-term borrowings, long-term borrowings due within one year, and payables.							
2. Decrease in Inventory Turnover: This is primarily due to the increase in inventory after the acquisition and consolidation of 45.83% equity of SHIN JIN.							

Note 1: The Company prepares its financial reports in accordance with International Financial Reporting Standards, so there are no financial reports prepared according to our country's financial accounting standards.

Note 2: Consolidated financial statements that have been audited or reviewed by accountants.

The calculation formulas for the analysis items are as follows:

1. Financial Structure

- (1) Debt to asset ratio = Total liabilities / Total assets.
- (2) Long-term capital to property, plant and equipment = (Total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

- (1) Current ratio = Current assets / Current liabilities.
- (2) Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities.
- (3) Interest coverage = Net income before income tax and interest expense / Interest expense for the period.

3. Management capability

- (1) Turnover rate of accounts receivable (including accounts receivable and notes receivable arising from operations) = net sales / average balance of accounts receivable (including accounts receivable and notes receivable arising from operations) for each period.
- (2) Average collection days = 365/receivable turnover rate.
- (3) Inventory turnover rate = Cost of goods sold / average inventory amount.
- (4) Turnover rate of accounts payable (including accounts payable and notes payable arising from operations) = cost of goods sold / average balance of accounts payable (including accounts payable and notes payable arising from operations) for each period.
- (5) Average sales days = 365 / Inventory turnover rate.
- (6) Turnover rate of property, plant and equipment = net sales / average net property, plant and equipment.
- (7) Total Asset Turnover = Net Sales / Average Total Assets.

4. Profitability

- (1) Return on assets = [Profit and loss after tax + interest expense \times (1 - tax rate)] / average total assets.
- (2) Return on equity = Profit or loss after tax / average total equity.
- (3) Net profit margin = profit or loss after tax / net sales.
- (4) Earnings per share = (Profit or loss attributable to owners of the parent company - preferred stock dividends) / weighted-average number of shares outstanding.

5. Cash flow

- (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities.
- (2) Net cash flow fair ratio = Net cash flow from operating activities for the last five years / (capital expenditures + increase in inventories + cash dividends) for the last five years.
- (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).

6. Leverage.

- (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
- (2) Financial leverage = Operating income / (Operating income - interest expense).

2023 Audit Committee Review Report
Please refer to the Chinese version of the annual report

2023 Consolidated Financial Statements
Please refer to the Chinese version of the annual report

5. **Parent Company Only Financial Statements Audited and Certified by Accountants for the Most Recent Year: Not applicable.**
6. **If the Company and its Associates Have Experienced Financial Difficulties in the Most Recent Year, the Impact on the Financial Position of the Company shall be Specified: None.**

IV. Review of Financial Conditions, Operating Results, and Risk Management

1. Analysis of Financial Status

Unit: NT\$ thousand ; %

	2022	2023	Difference Amount	Difference Ratio
Current assets	2,928,478	2,611,334	(317,144)	-11%
Property, plant and equipment	576,101	638,758	62,657	11%
Right-of-use assets	180,632	203,865	23,233	13%
Intangible assets	164,563	152,364	(12,199)	-7%
Other assets	253,544	401,058	147,514	58%
Total assets	4,103,318	4,007,379	(95,939)	-2%
Current liabilities	2,469,569	2,467,707	(1,862)	0%
Other liabilities	290,686	338,307	47,621	16%
Total liabilities	2,760,255	2,806,014	45,759	2%
Share capital	373,045	393,045	20,000	5%
Capital surplus	273,503	314,606	41,103	15%
Retained earnings	85,274	(13,768)	(99,042)	-116%
Other equity	(35,601)	(73,624)	(38,023)	107%
Non-controlling interests	646,842	581,106	(65,736)	-10%
Total shareholder equity	1,343,063	1,201,365	(141,698)	-11%

The main reasons and impact analysis for changes reaching 20% or more, and the change amount reaching more than NT\$10 million are as follows:

(1) Other assets:

The significant increase in other assets after consolidation compared to the same period last year is primarily due to the increase in long-term investments in Gwa Energy Inc. accounted for using the equity method.

(2) Retained earnings:

The main reason for the retained earnings is the net loss incurred by the Company during this period.

(3) Other equity:

The changes in other equity are mainly due to cumulative translation adjustments resulting from currency exchange fluctuations.

2. Analysis of Operation Results

(1) (1) Financial performance analysis for the last two years

Unit: NT\$ thousand; %

Item \ Year	2022	2023	Increase (decrease) amount	Difference (%)
Net operating Income	3,556,645	3,265,141	(291,504)	-8.20%
Operating Costs	(3,092,963)	(2,881,554)	211,409	-6.84%
Gross profit	463,682	383,587	(80,095)	-17.27%
Operating expenses	427,005	452,287	25,282	5.92%
Operating income (loss)	36,677	(68,700)	(105,377)	-287.31%
Non-operating income and expenses	23,892	(32,511)	(56,403)	-236.07%
Net profit (loss) before tax	60,569	(101,211)	(161,780)	-267.10%
Income tax expense	(39,145)	(14,988)	24,157	-61.71%
Net profit (loss) for the period	21,424	(116,199)	(137,623)	-642.38%

The main reasons and impact analysis for changes reaching 20% or more, and the change amount reaching more than NT\$10 mil-lion are as follows:

- (1) Operating income: The significant decrease in operating income compared to the same period last year is primarily due to the impact of rising interest rates and economic conditions, which led to performance not meeting expectations.
 - (2) Non-operating income and expenses: The substantial decrease in non-operating income after consolidation compared to the same period last year is mainly due to the impact of fluctuations in the US dollar exchange rate.
 - (3) Net profit before tax: The significant reduction in net profit before tax compared to the same period last year is primarily due to the impact of rising interest rates and economic conditions, which resulted in performance not meeting expectations.
 - (4) Income tax expense: The substantial decrease in income tax expense after consolidation compared to the same period last year is primarily due to the impact of rising interest rates and economic conditions, which led to performance not meeting expectations.
 - (5) Net profit for the period: The significant decrease in net profit for the period compared to the same period last year is primarily due to the impact of rising interest rates and economic conditions, which resulted in performance not meeting expectations.
- (2) Expected sales volume and its basis, possible impact on the Company's future financial operations and contingency plans

For the metal building materials division, with the economic recovery in the main sales regions and government initiatives to stimulate the economy, such as China's Belt and Road Initiative and the 13th Five-Year Plan, and the governments of ASEAN countries increasing domestic infrastructure, medical reform GMP standards will comprehensively upgrade the pharmaceutical industry and accelerate the construction and renovation of existing pharmaceutical factories. Additionally, in the era of big data, the construction of server rooms and the expansion of data centers will bring another business opportunity. These are all closely related to the terminal application of the Company's products. As these plans are implemented over the next few years, they will inevitably drive the demand for railways and subway public construction as well as surrounding factories, commercial office buildings, and civilian facilities. The demand for metal building materials will continue to grow.

In terms of battery modules, under the major trend of product wirelessness, lightweighting, replacing fuel machines, lead-acid batteries, and the Internet of Things, various products can play a key component role in system upgrades, with lithium battery modules. Many customer innovative designs will bring more opportunities for the Company to add value to products. For example, this year, customers not only require stability in supply but also hope that the Company can provide more diverse cooperation projects, including opportunities for other accessories of electric bicycles, integration of battery power and controllers, or the need for precision assembly. The Company will establish a leaner system process and team, invest timely, and be prepared for capacity to respond to the rapid growth of diversified customer industries, seize the opportunity of joint innovation, and become a strategic partner of customers.

3. Analysis of Cash Flow

(1) Analysis of recent annual cash flow movements

Unit: NT\$ thousand

Item	2022	2023	Increase (decrease) amount	Difference (%)
Operating activities	55,412	316,283	260,871	470.78%
Investment activities	(272,028)	(215,905)	56,123	-20.63%
Financing activities	179,158	21,696	(157,462)	-87.89%
Exchange rate changes	36,038	(38,941)	(74,979)	-208.06%
Net cash inflow (outflow)	(1,420)	83,133	84,553	-5954.44%

Analysis of cash flow changes:

- (1) Operating activities: The increase in net cash outflows for 2023 is primarily due to the successful collection of receivables by the company, resulting in a substantial increase in net cash outflows from operating activities compared to the same period last year.
- (2) Investment activities: The increase in net cash outflows for 2023 is mainly due to an increase in reinvestment, leading to a substantial increase in net cash outflows from investment activities compared to the same period last year.
- (3) Financing activities: The increase in net cash inflows for 2023 is primarily due to an increase in short-term borrowing and cash capital increases.

(2) Plan to improve liquidity shortage

The Company has no liquidity shortage.

(3) Cash flow analysis for the coming year (2024)

Unit: NT\$ thousand

Initial cash balance at the beginning of the period A	Estimated full year net cash flow from operating activities B	Projected annual cash outflow C	Estimated surplus (shortfall) of cash	Remedial measures for cash shortfall	
			(A)+(B)+(C)	Investment Plan	Financial Planning
543,336	3,853,440	-3,650,000	746,776	-	-

4. Major Capital Expenditure Items: None.

5. Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

(1) Policy on reinvestment in business:

- The Company's financial business management policy for reinvestment businesses is regulated in accordance with the Company's internal control system, "Supervision and Management of Subsidiaries", and "Group Enterprises, Specific Companies, and Related Party Transaction Operating Procedures". And according to the established method, all reinvested companies are supervised and managed, and financial business-related information of reinvestment businesses is regularly obtained to fully understand their operating conditions.
- The main reasons for the profitability or loss of the reinvestment and its improvement plan:

Unit: NT\$ thousand

Reinvestment business	Main business items	Recognition of investment income and loss of invested companies in 2023	Main reasons for profit or loss	Improvement plan
Buima Holding Ltd.	Investment holding company	(88,132)	Recognition of investment losses from subsidiaries.	None
Syntech Holding Co.,Ltd	Investment holding company	(2)	Recognition of investment losses from subsidiaries.	None
Buima Holding Hong Kong Ltd.	Investment holding company	(73,149)	Recognition of investment losses from subsidiaries.	None
OWA Metallic Pte.Ltd.	Investment holding company	(16,950)	Recognition of investment losses from subsidiaries.	None
Unitory International CO., Ltd.	Investment holding company	(577)	Primarily due to the impact of the economic climate, operations did not meet expectations. The company was dissolved as of December 31, 2023.	None
Lian Ting Construction Co., Ltd.	Construction industry	44,424	Stable industry development, company operations continue to profit.	None
Buima Energy Co., Ltd.	Investment holding, research and development, and sales of energy products	(14,402)	Primarily due to the impact of the economic climate, operations did not meet expectations.	None
Xingtie New Building Materials (Shanghai) Co., Ltd.	Sales of new building materials such as metal partition walls and ceiling keels	(21,345)	Primarily due to the impact of the economic climate, project settlements did not meet expectations.	None
Hongji International Trade (Shang-hai) Co., Ltd.	Sales between bonded area enterprises of flooring and mineral wool boards	3,659	Primarily due to effective recovery of receivables.	None
Buima (China) New Building Materials Co., Ltd.	Production and sales of new building materials such as metal partition walls and metal ceilings	(73,148)	Primarily due to the impact of the economic climate, project settlements did not meet expectations.	None
Ouhuama New Type Building Materials (Shanghai) Limited Com-pany	Design, production, and sales of new building materials such as ceiling keels; sales of metal ceilings	(16,950)	Primarily due to the impact of the economic climate, project settlements did not meet expectations.	None
Buima (Shanghai) New Materials Co., Ltd.	Sales of steel wall partition building materials, fireproof heat insulation warehouse	(3,398)	Primarily due to the impact of the economic climate,	None

Reinvestment business	Main business items	Recognition of investment income and loss of invested companies in 2023	Main reasons for profit or loss	Improvement plan
	boards, and ceiling keels, etc.		project settlements did not meet expectations.	
Shanghai Getao Construction Engineering Co., Ltd.	Various construction activities, construction labor subcontracting, architectural engineering design, etc.	(1,079)	Primarily due to the impact of the economic climate, project settlements did not meet expectations.	None
Buima (Shenzhen) New Materials Co., Ltd.	Sales of steel wall partitions, fire-resistant insulation panels, and ceiling framing	(3,494)	Primarily due to the impact of the economic climate, project settlements did not meet expectations.	None
JOULES MILES CO., LTD.	Research, production, manufacturing, and sales of lithium battery modules	3,316	Stable industry development, company operations continue to profit.	None
PowerGain Technology Corporation Limited	Manufacture of electronic components	1,698	Stable industry development, company operations continue to profit.	None
Li Chu Power Co., Ltd.	Energy technology services	168	Stable industry development, company operations continue to profit.	None
Shin Jin Company Limited	Wholesale and retail of steel materials and building materials	(5,371)	Primarily due to the impact of the economic climate, continuing inventory liquidation.	None

6. Investment plan for the next year: None.

7. Analysis and Assessment of Risks in the Recent Fiscal Year and Up to the Date of Printing of the Annual Report

(1) Risk factors

1. The impact of interest rates, exchange rate changes, and inflation on the Company's profits and losses, and future response measures.
 - (1) Interest Rate: The Company's interest expenses in 2022 and 2023 were NT\$43,529 thousand and NT\$67,198 thousand respectively, accounting for 1.19% and 2% of the net operating revenue for those years. The proportions were not high, so changes in interest rates will not have a significant impact on the Company. However, if in the future, due to operational needs, borrowing funds from banks increases interest expenditure, the impact of interest rate changes on the Company's profit and loss will increase. The Company will keep an eye on changes in interest rates to reduce the impact of interest rate changes on profit and loss.
 - (2) Exchange Rate: The Company's exchange gains (losses) in 2022 and 2023 were NT\$46,307 thousand and NT\$6,474 thousand respectively, accounting for 126.26% and 0% of the annual operating profit. The Group's main operating areas are primarily in Taiwan, with the functional currency being mainly the New Taiwan Dollar, supplemented by the US Dollar, so the risk of significant exchange rate fluctuations is relatively low. However, the Cayman holding company that is applying for an over-the-counter listing in Taiwan needs to exchange US dollars when raising funds domestically and distributing dividends to domestic investors in the future, which will generate the risk of exchange rate changes between the US dollar and the New Taiwan Dollar. To reduce the impact of exchange rate changes on the Company's profit and loss, the Company will continuously collect exchange rate data and determine exchange rate trends through the online real-time exchange rate system and strengthening connections with financial institutions, as a reference for settling exchange rates. Strategically, the Company will try to balance foreign currency assets and liabilities to achieve a natural hedging effect, reducing the impact of exchange rate fluctuations. In the future, depending on changes in the foreign exchange market and the need for foreign exchange funds, the Company will adopt derivative financial product operation strategies with hedging properties to avoid related exchange rate risks.
 - (3) Inflation: The Company has not yet experienced a significant impact on profits and losses due to inflation, but it will monitor inflation trends in a timely manner.
2. Policies on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement of guarantees and derivative transactions, the main reasons for profits or losses and the response of the Company
 - (1) The Company has established procedures for "Acquisition or Disposal of Assets", "Management of Loans to Others", and "Endorsement Guarantee Management", which serve as the guidelines for engaging in related activities. Up to the date of printing the annual report, the Company has not engaged in high-risk, highly leveraged investments, and derivative transactions.
 - (2) The Company's loans to others and endorsements of guarantees are all conducted according to the policies and response measures established by the Company's "Management of Loans to Others" and "Endorsement Guarantee Management". All related operations have considered the risk situation and relevant regulations and are carried out cautiously.
 - (3) The Company's finance department keeps an eye on changes in the domestic and foreign economic environment and exchange rate trends to reduce exchange rate fluctuation risks. The Company does not engage in speculative foreign exchange operations. In addition, the policy on derivative transactions will be conducted in accordance with Article 12 of the Company's "Acquisition or Disposal of Assets Procedure" and considering the needs of financial business.
3. Future Research and Development Plans and Estimated R&D Expenditure

The Company plans to gradually allocate the estimated R&D expenditure according to the development progress of new products and new technologies by the R&D unit, to support future R&D plans. The estimated R&D costs of the Company are managed according to the Company's "Budget Management", and the R&D unit estimates the scale of manpower needs and R&D plans before the end of each year, and sets the estimated investment in R&D. The actual research and development costs in 2022 and 2023 were NT\$81,617 thousand and NT\$105,321 thousand respectively, accounting for 2.29% and 3.22% of the annual operating income. The Company plans to invest approximately NT\$80,000 thousand in R&D in 2024, but it will plan and adjust according to the global market situation and the actual operation of the Company. The summary of the Company's main future R&D plans is as follows:

4. In the future, the Company will continue to cultivate excellent R&D talent and actively invest in R&D resources to respond to changes in the market and maintain a high competitive advantage.
5. Impact of important domestic and international Law and legal changes on the Company's financial operations and the response of the Company

The Group is registered in the British Cayman Islands, with its main operations in China. The British Cayman Islands primarily rely on financial services for their economic activity, while China is one of the world's leading economies. Both areas have relatively stable political and economic environments. All of the Group's operations are conducted in accordance with important domestic and foreign policies and legal regulations. The Group also pays close attention to trends in policy development and changes in law, allowing it to respond to market changes promptly and take appropriate measures.

6. Impact of technological changes (including information security risks) and industry changes on the Company's financial operations and the response of the Company

The Company keeps a close watch on technological changes and developments in its industry. Coupled with continuously enhancing its own R&D capabilities, it applies for patents to protect various innovative concepts and designs. The Company is also actively expanding future market application areas, hence, technological changes and industry changes have a positive impact on the Company.

The Company's IT staff are responsible for the Company's information development strategy, information security policy, and management and improvement of the information system, and they continuously monitor trends in the information environment. With the rapid advancement of technology, enterprises increasingly rely on information systems. Thus, the Company is placing greater emphasis on information security. In addition to the existing defense mechanisms (such as firewalls, antivirus software, etc.), it's essential to ensure their functionality and updates are complete.

Additionally, regular security testing and information security awareness programs are conducted to enhance colleagues' awareness of information security risks and the response capabilities of information security staff, strengthen password security policies, and strictly control vendor network connections. In addition to technical controls, internal control systems standardize internal procedures and documents to strengthen controls, aiming to prevent and maintain information security. For the fiscal year 2021 and up to the present, the Company has not experienced any significant information security risks that affect its operations. In the future, the Company will continue to strengthen the establishment of information security in response to trends, ensuring the protection of company data and sustainable operation of the Company.

7. Impact of the change in corporate image due to corporate crisis management and the response of the Company
- The Company operates its business with a steady and pragmatic spirit, actively strengthening internal management, improving management quality and performance, and committed to maintaining its corporate image

while comply-ing with relevant laws and regulations. Up to now, there has been no change in corporate image causing crisis management.

8. Expected benefits, possible risks and responses to mergers and acquisitions
As of the date of printing the annual report, the Company has no plans for mergers and acquisitions. In the future, when assessing and executing related plans, they will be handled according to relevant laws and regulations and the management measures established by the Company.
 9. Expected benefits, possible risks and contingency measures for plant expansion
As of the date of printing the annual report, there are no situations involving the expansion of factories by the Company.
 10. Risks of concentration of imports or sales and the response of the Company
 - (1) Description of the Purchasing Situation:
The Company's main raw materials include battery cores, steel coils, aluminum coils, aluminum profiles, core materials, hardware accessories, auxiliary materials, and packaging materials, etc. The purchasing ratios from the largest supplier in 2022 and 2023 were 23.98% and 8.27% respectively. The higher purchasing ratio is mainly due to the fact that steel coils and battery cores are the main raw materials of the Company. The Company maintains at least two suppliers for each of its main raw materials to ensure stability and autonomy of the supply, and maintains good cooperative relationships with all suppliers. Hence, the supply source is not expected to be insufficient. No situations of stock shortages or interruptions occurred in 2022 and 2023.
 - (2) Description of the Sales Situation:
In 2022 and 2023, the sales to our largest customer, Customer A, accounted for 11.3% and 11.14% of the Company's total sales, respectively. The significant increase in the Group's revenue in 2022, following the incorporation of JOULES MILES CO., LTD. into the Company, led to an increase in the sales proportion attributed to Customer A, thereby categorizing them as one of the main customers for the Group.
 11. Impact, risk and response to the substantial shift or change in shareholding of directors, supervisors or substantial shareholders holding more than 10% of the shares of the Company
As of the date of the printing of the annual report, the Company's directors, supervisors, or shareholders who hold more than 10% of the shares have not experienced any significant changes or transfers of equity.
 12. Impact of changes in operating rights on the Company, risks and the response of the Company
As of the date of the printing of the annual report, the Company has not undergone any changes in operational rights.
 13. Other significant risks and the response of the Company: None.
- (2) Litigation or non-litigation events
1. Litigation, non-litigation or administrative disputes in the past two years, and up to the date of the annual report printing, which have been definitively adjudicated or are currently ongoing, and which may significantly affect shareholders' rights or securities prices: None.
 2. Litigation, non-litigation or administrative disputes in the past two years, and up to the date of the annual report printing, which have been definitively adjudicated or are currently ongoing, involving the Company's directors, supervisors, President, de facto responsible persons, major shareholders with a shareholding ratio exceeding 10%, and subsidiary companies, that may significantly affect the Company's shareholders' rights or securities prices: None.
 3. Situations stipulated in Article 157 of the Securities and Exchange Act that have occurred in the past two years and up to the date of the annual report printing, involving the Company's directors, supervisors, managers, and

major shareholders with a shareholding ratio exceeding 10%, and the current handling situation by the Company:
None.

(3) Financial difficulties or loss of creditworthiness occurring in the last two years and up to the date of the annual report printing, involving the Company's directors, supervisors, managers, and major shareholders with a shareholding ratio exceeding 10%, and its impact on the Company's financial situation: None.

(4) Other important matters: None.

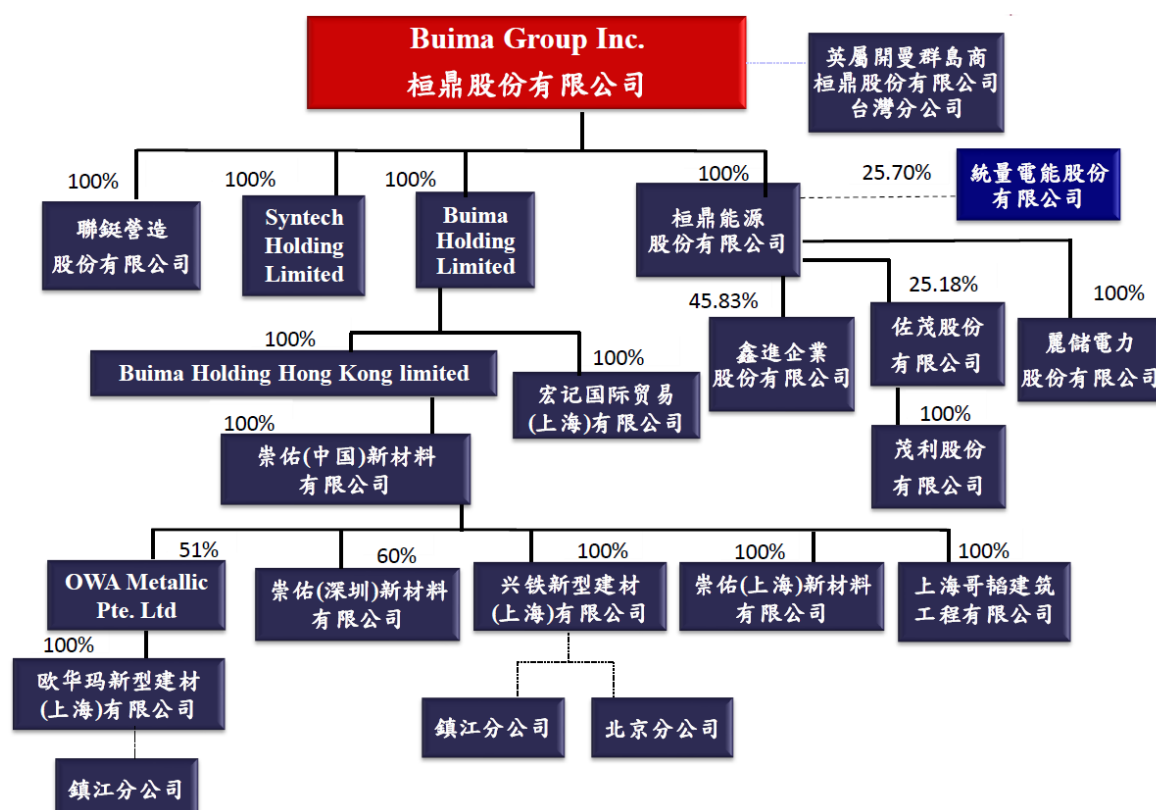
8. Other Important Matters: None.

V. Special Disclosure

1. Summary of Affiliated Companies

(1) Information on Affiliated Companies

1. Organizational Chart



2. Basic Information on Affiliates

Investments in Other Businesses	Date of establishment	Location	Paid-in capital	Business
Buima Holding Limited(HK)	2007.08.28	Flat/Rm43 T/F Sino Industrial Plaza 9,Kai Cheung RD Kowloon Bay, Hong Kong	HKD 123,565,103	Investment holding company
Syntech Holding Co., Ltd.			USD 3,192,623	Investment holding company
Buima Holding Hong Kong Ltd.	2011.09.19	2702-03,C.C. Wu Building 302-8 Hennessey Road Wan Chai, Hong Kong	USD 13,550,000	Investment holding company
OWA Metallic Pte. Ltd.	2005.04.14	50 Raffles Place #08-00 Singapore Land Tower Singapore 048623	USD 2,400,000	Investment holding company
Unitory International Co.,Ltd (Note 1)	2019.09.03	Diamond Twin Tower, Koh Pich Office 2, Happiness Road, Phnom Penh, Phnom Penh Cambodia	USD 1,000,000	Sales of new building materials and provision of product consultancy services
Buima (China) New Building Materials Co., Ltd.	2008.12.17	No. 66, Hengyuan Road, Dantu District, Zhenjiang City, Jiangsu Province	USD 13,100,000	Production and sales of metal partition walls and metal ceilings
Lian Ting Construction Co., Ltd.	2017.04.14	No. 5, Tongliao Ln., Dashe Dist., Kaohsiung City	NTD 100,000,000	Construction industry

Investments in Other Businesses	Date of establishment	Location	Paid-in capital	Business
Xingtie New Building Materials (Shanghai) Co., Ltd.	2002.06.07	No. 488, Rongxing Road, Songjiang District, Shanghai	RMB 30,158,878	Sales of metal partition walls and metal ceilings
Hongji International Trade (Shang-hai) Co., Ltd.	2006.04.25	Room 108, No. 26 Jiafeng Road, China (Shanghai) Pilot Free Trade Zone	RMB 1,601,736	International, export trade, trade between companies in the bonded area, and regional trade agency
Ouhuama New Type Building Materials (Shanghai) Limited Company	2005.08.15	No. 488, Rongxing Road, Songjiang District, Shanghai	RMB 26,077,380	Production and sales of ceiling grids and metal ceilings
Buima (Shanghai) New Materials Co., Ltd.	2020.03.27	No. 488, Rongxing Road, Songjiang District, Shanghai	RMB 8,500,000	Sales of metal partition walls and metal ceilings
Shanghai Getao Construction Engineering Co., Ltd.	2021.04.27	Building 1, No. 377 Nanqiao Road, Nanqiao Town, Fengxian District, Shanghai	RMB 1,300,000	Various engineering construction activities, building labor subcontracting, construction engineering design
Buima (Shenzhen) New Materials Co., Ltd.	2021.09.26	3rd Floor, 308A Hehe Storage Building, No. 8 Shihua Road, Fubao Community, Fubao Street, Futian District, Shenzhen	RMB 500,000	Sales of metal partition walls and metal ceilings
Buima Energy Co., Ltd.	2022.11.17	7F.-2, No. 283, Songjiang Rd., Zhongshan Dist., Taipei City	NTD 221,832,000	Energy technology services
Shin Jin Company Limited (Note 2)	2013.08.13	7F.-2, No. 91, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City	NTD 60,000,000	Steel trading
JOULES MILES CO., LTD.	1998.03.31	10F., No. 1-26, Kuojian Rd., Qianzhen Dist., Kaohsiung City	NTD 352,700,000	Research, production, manufacturing, and sales of lithium battery modules
PowerGain Technology Corporation Limited	2021.10.06	3F, No.85, Lide St., Zhonghe Dist., New Taipei City	NTD 50,000,000	Manufacture of electronic components
Li Chu Power Co., Ltd.	2022.01.26	7F.-2, No. 283, Songjiang Rd., Zhongshan Dist., Taipei City	NTD 2,300,230	Energy technology services

Note 1: Unitory International Co., Ltd. was dissolved on December 31, 2023.

Note 2: The equity of Shin Jin Company Limited was sold on April 30, 2024.

3. Information on Directors, Supervisors, and Presidents of each affiliated companies

Name	Title	Name or Representative	Shareholding	
			Shares	%
Buima Holding Ltd.	Director	ZHANG, JIAN-ZHI	0	0%
Syntech Holding Co., Ltd.	Director			
	Supervisor			
Buima Holding Hong Kong Ltd.	Director	ZHANG, JIAN-ZHI	0	0%
OWA Metallic Pte. Ltd.	Director	ZHANG, JIAN-ZHI 、 LIN, JIAN-XING 、 Kay Rogge 、 Jürgen THEOBALO 、 Huang Biyi, Clara	0	0%
	Chairperson	ZHANG, JIAN-ZHI	0	0%

Buima (China) New Building Materials Co., Ltd. (Note 1)	Director	ZHANG, JIAN-ZHI 、 LIN, JIAN-XING 、 CHEN, DI-SHENG		
	Supervisor	WANG, LI		
Lian Ting Construction Co., Ltd.	Chairperson	Buima Group Inc. Rep: XU, GAI-YUAN	16,500,000	100%
	Director	Buima Group Inc. Rep: ZHANG, JIAN-ZHI 、 XU, GAI-YUAN 、 CHEN, DI-SHENG	16,500,000	100%
	Supervisor	Buima Group Inc. Rep: WANG, GUI-LING	16,500,000	100%
Xingtie New Building Materials (Shanghai) Co., Ltd.	Director	ZHANG, JIAN-ZHI	0	0%
	Supervisor	HONG, JUN-TING	0	0%
Hongji International Trade (Shang-hai) Co., Ltd.	Director	ZHANG, JIAN-ZHI	0	0%
	Supervisor	HONG, JUN-TING	0	0%
Ouhuama New Type Building Materials (Shanghai) Limited Com-pany	Chairperson	ZHANG, JIAN-ZHI	0	0%
	Director	ZHANG, JIAN-ZHI 、 LIN, JIAN-XING 、 LIU, JIN-JIN 、 Kay Rogge 、 Jürgen THEOBALO	0	0%
	Supervisor	HONG, JUN-TING	0	0%
Buima (Shanghai) New Materials Co., Ltd.	Director	ZHANG, JIAN-ZHI	0	0%
	Supervisor	HONG, JUN-TING	0	0%
Shanghai Getao Construction Engineering Co., Ltd.	Director	CHU, YA-DONG	0	0%
	Supervisor	PENG, XIAO-LONG	0	0%
Buima (Shenzhen) New Materials Co., Ltd.	Director	PENG, XIAO-LONG	0	0%
	Supervisor	LIN, MING-ZHI	0	0%
Buima Energy Co., Ltd.	Chairperson	Buima Group Inc. Rep: CHEN, DI-SHENG	221,832,00	100%
	Director	Buima Group Inc. Rep: ZHANG, JIAN-ZHI 、 ZHUANG, HONG-WEI		
	Supervisor	Buima Group Inc. Rep: LIN, JIAN-XING		
JOULES MILES CO., LTD.	Chairperson	YE, QIU-ZHI	2,102,404	5.68%
	Director	YE, QIU-ZHI 、 WU, JIAN-MING 、 WU, YI-JIN Buima Group Inc. Rep: CHEN, DI-SHENG 、 ZHUANG, HONG-WEI	12,133,842	32.76%
	Supervisor	LIU, YU-TING 、 Zuo Zhang Enterprise Co., Ltd. Rep: WU, YI-MIN	1,597,982	4.31%
PowerGain Technology Corporation Limited	Chairperson	JOULES MILES CO., LTD. Rep: WU, JIAN-YING	5,000,000	100%
	Director	JOULES MILES CO., LTD. Rep: CHEN, DI-SHENG 、 WU, GUAN-BANG	5,000,000	100%
	Supervisor	WANG, JIAN-KUN	5,000,000	100%
Shin Jin Company Limited (Note)	Chairperson	TSENG, WEI-HSIANG	-	-
	Director	TSENG, WEI-CHIEH		
	Supervisor	ZHUANG, MEI-YUN		

Note: The equity of Shin Jin Company Limited was sold on April 30, 2024.

- (2) Consolidated Financial Statements of Affiliated Companies: Same as the consolidated financial statements, please refer to the most recent annual financial report in Chapter 6 of this annual report.

2. Private Placement Securities in the Most Recent Years: None.

Buima Group Inc. Private Placement Securities

Item	2023 Ordinary Share Issue through Private Placement Issuance Date: (Not yet issued)
Shareholder Meeting Approval Date and Amount	On June 30, 2023, the Company's annual general meeting resolved to raise funds from designated individuals in two stages over the next year based on the Company's operational needs, issuing 2,500 thousand shares in each stage, with a projected total issuance of 5,000 thousand shares.
Pricing Basis and Rationality	<ol style="list-style-type: none"> The reference price for the private placement of ordinary shares is set according to the "Directions for Public Companies Conducting Private Placements of Securities," choosing the higher of the following calculations: <ol style="list-style-type: none"> The simple arithmetic average of the closing prices of ordinary shares one, three, or five business days prior to the pricing date, adjusted for bonus issue and dividends, plus any price adjustments following a capital reduction. The simple arithmetic average of the closing prices of ordinary shares for the thirty business days prior to the pricing date, adjusted for bonus issue and dividends, plus any price adjustments following a capital reduction.. Ordinary Share Pricing <ol style="list-style-type: none"> The price of privately placed ordinary shares must not be less than 80% of the reference price mentioned above. The actual pricing day and the actual private placement price will be proposed to the shareholder meeting for approval within the authorized range, based on negotiations with designated individuals. The basis for setting the private placement price complies with the "Directions for Public Companies Conducting Private Placements of Securities," hence the pricing of these ordinary shares is deemed reasonable.
Selection of Specific Individuals	Currently, no specific individuals have been designated. The targets of this private placement are limited to those who meet the criteria under Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's Letter No.1120383220 issued on September 12, 2023. The subscribers will primarily be strategic investors who can aid in the management and financial resources needed for the Company's operations, providing management expertise, product integration, enhanced financial cost management, and assistance in developing new product lines and expanding distribution channels.
Reasons for Conducting the Private Placement	Considering the quick and convenient nature of private placements and the rule that securities issued through private placements cannot be freely transferred for three years, this ensures a long-term relationship between the Company and the subscribers. Moreover, authorizing the board of directors to manage the private placement based on actual operational needs will also enhance the Company's fundraising flexibility and agility.
Payment Completion Date	5,000 thousand shares quota not executed
Subscriber Information	N/A
Actual Subscription (or Conversion) Price	N/A
Difference Between Actual and Reference Subscription (or Conversion) Price	N/A
Impact of the Private Placement on Shareholder Rights	The pricing of securities issued through this private placement is set at no less than 80% of the theoretical price according to the "Directions for Public Companies Conducting Private Placements of Securities." The dilution of existing shareholders' equity is minimal. However, the inclusion of strategic investors should enhance the Company's profitability, access different customer layers, enter potential vertical markets, and accelerate business performance growth, thereby positively affecting the Company's business, finances, and shareholder rights.
Utilization of Funds from the Private Placement and Progress of Implementation Plan	The allocated quota will expire on June 30, 2024. Considering the timeframe and planning required, if not executed by the expiration date, the Company resolves not to proceed with the placement of the 5,000 thousand shares.
Benefits of the Private Placement	N/A

3. The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

4. Other Items of Description which Needs to be Supplemented

When the Company first listed or in the last and most recent three years when declaring the issuance and placement of securities, the declarations or commitments disclosed in the annual report and their current implementation status:

Commitments for Listing	Implementation Status of the Commitments
<p>The Company commits to revise the “Procedure for Acquisition or Disposal of Assets” to include: “When the Company directly or indirectly renounces the capital increase of Xingtie New Building Materials (Shanghai) Co., Ltd., Ouhuama New Type Building Materials (Shanghai) Limited Company, and Jiangsu Buima New Materials Co., Ltd. in future years, or directly or indirectly disposes of these companies’ shares, resulting in the Company losing substantial control over these companies, it must first be approved by a special resolution of the Company’s board of directors, with all independent directors attending and expressing their opinions.</p> <p>The content of the above resolution and any subsequent modifications to the method should be disclosed on the Market Observation Post System and reported to the Taipei Exchange for reference.”</p> <p>Violation of this commitment could result in the applying company (already listed at the time of violation) being in compliance with Article 12-1, Paragraph 1, Subparagraph 7 of the “Taipei Exchange Rules Governing Securities Trading on the TPEX” that states ‘Where the issuer has violated any undertakings made when applying for TPEX trading’, and the Taipei Exchange could report this to the competent authority for approval to suspend its securities trading. The undersigned has fully understood the above provisions and acknowledges the serious consequences of violating this commitment, hereby making this declaration. This commitment will come into effect after the commitment letter is issued and will continue to be valid during the listing period unless it is extinguished due to complete fulfillment, expiry of the survival period, or satisfaction of the conditions for dissolution. The commitments made by the applying company are not affected by any change in the name of the applying company or any change in its management. When there is a change in management, the unfulfilled commitments should be included in the handover items. The commitments made by the directors, supervisors, major shareholders, or specific individuals of the applying company remain the responsibility of the applying company when they are violated. These commitments are not affected by any change in the name of the individual or change in the individual’s status. However, if the change in status is listed as a reason for the termination of the commitment, it is not limited by this. The undersigned has fully understood the meaning of the above text and hereby declares it.</p>	<p>The Company’s commitment for listing has added and revised Article 19 of the “Procedure for Acquisition or Disposal of Assets,” which was approved by the shareholders’ meeting on June 20, 2017.</p>

When the Company first listed or in the last and most recent three years when declaring the issuance and placement of securities, the declarations or commitments disclosed in the annual report and their current implementation status:

Checklist for matters protecting the rights and interests of shareholders in the place of registration of foreign issuers

Please refer to the Chinese version of the annual report

VI. Any Event that Had a Material Impact on the Rights of Shareholders or the Prices of Securities

1. Cases of dishonored checks due to insufficient funds, refusal of transactions, or other loss of creditworthiness: None.
2. Significant impact on the company's finances or business due to litigation, non-litigation, administrative sanctions, administrative litigation, preservation procedures, or enforcement actions: None.
3. Serious reduction in production or total or partial stoppage of work, rental of the company's factories or major equipment, pledge of all or a major part of assets that affects the company's business: None.
4. Cases under any of the conditions specified in Article 185, paragraph 1 of the Company Act: None.
5. Cases where the court has ruled according to Article 287, paragraph 1, subparagraph 5 of the Company Act that its shares are prohibited from being transferred: None.
6. Changes in the Chairman, President, or more than one-third of the directors: None.
7. Change of certifying accountants. However, changes due to internal adjustments within the accounting firm are not included: None.
8. Signing, alteration, termination, or revocation of important memorandums, strategic alliances or other business cooperation plans or important contracts, significant contents of business plan changes, successful development of new products in test and official entry into mass production stage, acquisition of other businesses, transactions involving the acquisition or transfer of patent rights, trademark rights, copyrights or other intellectual property rights that have a significant impact on the company's finances or business: None.
9. Other significant matters that could affect the company's ongoing operations: None.

Buima Group Inc.



Chairman:
ZHANG, JIAN-ZHI

