



M.J. International Co., Ltd.

2024 Annual Report

Website

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

The Company's website: <http://www.mjig.com>

Printed on May 15, 2025

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THIS IS A TRANSLATION OF 2023 ANNUAL REPORT OF M. J. INTERNATIONAL CO., LTD. (THE “COMPANY”). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

I. Names, job titles, contact Nos. and emails of the Spokesperson and deputy Spokesperson:

Spokesperson: Wang Chuan-Han Telephone: (886)2-2268-4666
Title: President Email: IR@mjig.com

Deputy Spokesperson: Chen I-Hsiu Telephone: (886)2-2268-4666
Title: Special Assistant to the CEO Email: IR@mjig.com

II. Addresses and Tel. Nos. of Head Office, branches, and factories:

- (I) The Company
Name: M.J. International Co., Ltd. Telephone: (886)2-2268-4666
Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O.
Box 32052, Grand Cayman KY1-1208, Cayman Islands, British West Indies.
Website: www.mjig.com (same as the following subsidiaries' website)
- (II) Subsidiary in Taiwan
Name: M.J. International Flooring and Interior Telephone: (886)2-2268-4666
Products Inc
Address: No. 126, Da Nuan Rd., Tucheng District, New Taipei City
- (III) Subsidiary in Hong Kong
Name: Prolong International Co., Limited Telephone: (886)2-2268-4666
Address: 31/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong
Name: Opulent International Group Limited Telephone: (886)2-2268-4666
Address: 31/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong
- (IV) Taiwan Branch of Hong Kong Subsidiary
Name: Opulent International Group Limited Telephone: (886)2-2268-4666
Taiwan Branch
Address: No. 126, Da Nuan Rd., Tucheng District, New Taipei City
- (V) U.S. Subsidiary:
Name: M.J. GROUP US INC Telephone: (886)2-2268-4666
Address: Address: 228 N SUNSET AVE. CITY OF INDUSTRY, CA 91744
- (VI) Thai Subsidiary: M.J. TECHNOLOGIES (THAILAND) CO., LTD.
Address: 238/7, 6th Floor, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang
District, Bangkok 10310, Thailand Telephone: (886)2-2268-4666
- (VII) The subsidiary in China
Name: Chongqing M.J. Architecture & Telephone: (86)023-6361-1600
Decoration Material Co. Ltd.
Address: Building 1902, Building B, Longtian Shidai Street, Longhu, Daping,
Yuzhong District, Chongqing
Name: Beijing M.J. Architecture & Decoration Telephone: (86)010-8736-4856
Materials Co. Ltd.
Address: Suite 2705, Jun An International Building No. 2, Hua Nan Rd., Beijing
Economic-Technological Development Area, Beijing City
Name: Shanghai M.J. Architecture & Decoration Telephone: (86)021-64828022
Material Co. Ltd.
Address: 7F, No. 36, Alley 1088, Shen Hong Rd., Ming Xin Dist., Shanghai City
Name: Wuhan M.J. Architecture & Decoration Telephone: (86)027-8784-9788
Material Co. Ltd.
Address: No. 1, 36F, Bldg. No. 6 of Bldg. Nos. 6~7 of Wuhan 1818 Center, No. 109,
Zhongzhen Rd., Wuchang Dist. Wuhan City (2nd Phase)
Name: Xian M.J. Architecture & Decoration
Material Co. Ltd. Telephone: (86) 13279352318

Address: Suite 10901, 9F, Unit 1, Bldg. No. 6, Wang Xiang Hui, No. 21, Gaoxin 6th Rd.,
Gaoxin Dist., Xian City

Name: Shenyang M.J. Architecture & Decoration

Material Co. Ltd.

Telephone: (86) 024-25102977

Address: No. 116-1-4, Hong Run Rd., Yuhong Dist., Shenyang City

(VII) Factory

Name: Dongguan Prolong Plastic Products Co., Ltd. Telephone: (86)769-8663-2083

Address: 3rd Industrial Zone, Jizhou, Shijie Township, Dongguan City, Guangdong Province

Name: Dongguan Mei Jer Plastic Products Co., Ltd. Telephone: (86)769-8983-1234

Address: 3rd Industrial Zone, Huang Yong, Zhongtang Township, Dongguan City, Guangdong Province

Name: M.J. International Flooring and Interior Products Inc Telephone: (886)6-3009-666

Address: No. 15, Gongye 3rd Rd., Annan Dist., Tainan City, Taiwan (R.O.C.)

III. Name, address, website and Tel. No. of the shareholders' service agent:

Name: CTBC Bank Co., Ltd.

Telephone: (886)2-2311-1838

Address: 3F., No.83, Sec. 1, Chongqing S. Rd.,

Website: <http://www.ctbcbank.com>

Zhongzheng District, Taipei City

IV. Name, firm name, address, website and Tel. No. of CPA certifying the financial statements of the most recent year:

Firm name: Deloitte Taiwan

Telephone: (886)2-2725-9988

CPAs: Chiang-Shiun Chen, CPA & Chang Keng-Hsi, CPA

Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City Website: www.deloitte.com.tw

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: N/A.

VI. Company website: <http://www.mjig.com>

VII. Roster of Directors (the nationality and main work experience of independent directors domiciled in Taiwan, if any, to be specified)

Job title	Nationality or Place of Registration	Name	Main Work Experience
Chairman of Board	Samoa	Black Dragon Assets Limited	-
	Taiwan R.O.C.	Representative: Chen Pen-Yuan	Graduated from junior high school Sales Manager/Production Section Chief of Zhen Hong Plastics Industry Co., Ltd. Factory manager of HANDSOME PLASTICS CO., LTD. President of M.J.
Director	British Virgin Islands	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account	-
	Taiwan R.O.C.	Representative: Lee Kin-Tsau	Master of Business Administration (MBA), MIT Senior Vice President, CT BRIGHT Group COMPANY LIMITED. Chairman, China Steel Express Corporation

Director	Taiwan R.O.C.	Lin An-Hsiu	Graduated from elementary school Chairman of Board of Sin-Cheng Lin Co., Ltd. Supervisor of G.T Floor Co., LTD.
Director	British Virgin Islands	ACCORD SKY INVESTMENTS CO., LTD.	-
	Taiwan R.O.C.	Representative: Chen I-Hsiu	Bachelor of Marketing from British Columbia Institute of Technology. Executive Assistant to CEO of M.J. G.M Division Director Marketing of M.J.
Director	Samoa	Success Reveal Holdings Limited	-
	Taiwan R.O.C.	Chen Chien-Ming	Graduated from China University of Technology. Vice President of Investment Department of Crown Harvest Company Limited.
Director	Samoa	Infinite Tales Enterprise Limited	-
	Taiwan R.O.C.	Chen Man-Ling	Master of Department of Business Management, Tatung University. Marketing Plan of Hunya Foods Co., Ltd. Marketing Plan of Taiwan Mobile Co.
Independent Director	Taiwan R.O.C.	Kao, Li-Han	Ph.D. in National Chiao Tung University of Institute of Management of technology. Associate Professor and Chairperson, Soochow University Department of Accounting.
Independent Director	Taiwan R.O.C.	Cheng, Yen-Chuan	Ph.D., Department of Psychology, National Chengchi University. Adjunct associate professor of Department of Counseling, Clinical and Industrial /Organizational Psychology, Ming Chuan University.
Independent Director	Taiwan R.O.C.	Jong Wen-Ren,	Ph.D. in Mechanical Engineering, Cornell University, USA Director, Office of Information Technology, CYCU.

The seventh Board of Directors was elected on 2024/6/25.

VIII. Name, job title, contact No. and email of the designated domestic agent:

Designated domestic agent: Chen Pen-Yuan
Job Title: Chairman of Board

Telephone: (886)2-2268-4666
Email: IR@mjig.com

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One. Letter to Shareholders

Dear Shareholders:

In 2024, global markets have faced considerable volatility and uncertainty, driven by political shifts in the two major economic regions EU and the U.S. alongside easing inflation, monetary policy adjustments, and heightened geopolitical risks. Amid these dynamics, Meijer Group has remained committed to the efficient allocation of overall resources to fully respond to customer demands. In North America, major distributors and wholesale channel customers completed their reviews and certifications of our Tainan SPC plant in 2023. As a result, customer orders in 2024 have grown significantly compared to the previous year, effectively helping us diversify the regional risk of Meijer Group's production bases. While economic performance among the three largest EU economies continues to lag, affecting overall growth, Meijer has leveraged its comprehensive product portfolio to meet diverse customer needs. Thanks to the concerted efforts of our management team and employees, we have returned to profitability in 2024. We have not only actively pursued cost optimization but also continued to develop new products to enhance our competitiveness. In addition to strengthening our existing foundation in the European market, we have been actively expanding our customer base in North America to boost our operational momentum in the region. These strategic initiatives are expected to begin yielding results progressively in 2025.

Below is a report on the 2024 annual business report and an outline of the 2025 business plan:

I. 2023 Business Report.

(I) Overview

In 2024, consolidated annual revenue reached NT\$3,861,337 thousand, representing a 45.47% increase compared to NT\$2,654,401 thousand in 2023. This significant growth was primarily driven by ongoing procurement adjustments from major U.S. wholesale retailers and import distributors, who continue to strengthen cooperation with non-China supply chains. In addition, the gradual ramp-up of production capacity at the Tainan plant contributed to the strong performance in the North American market, serving as the main factor behind the substantial increase in revenue.

(II) Results of Business Plan Implementation and Comparison with Fiscal Year 2023:

In the consolidated financial statements for the year 2024, the company recorded operating revenue of NT\$3,861,337 thousand, cost of goods sold of NT\$3,215,754 thousand, and gross profit of NT\$645,583 thousand, representing a gross profit margin of 17%. Net income after tax attributable to the company amounted to NT\$135,185 thousand, with a net profit margin of 3%. A comparison with the figures for fiscal year 2023 is as follows:

Unit: NTD Thousand

Item	Year2024	Year2023 (Restated)	Change Amount	Change (%)
Sales Revenue	3,861,337	2,654,401	1,206,936	45.47%
Gross Profit	645,583	442,432	203,151	45.92%
Operating Profit	197,593	31,732	165,861	522.69%
Net Profit Attributable to Owners of the Parent	135,185	(64,313)	199,498	310.20%

In 2024, the Company's operating revenue increased by NT\$1,206,936 thousand compared to 2023. By sales region, Europe and North America remained the primary markets for stone plastic composite (SPC) flooring. Europe accounted for 50.0% of total sales and remained the Group's largest sales region. However, due to strong demand from U.S. customers, the sales ratio in North America reached 37.4%, making it the main driver of the significant increase in consolidated revenue for the year. Additionally, sales to other regions accounted for 5.5%, while revenue from China grew slightly, accounting for approximately 2.9%. Revenue from the Taiwan market declined slightly, with its share falling to 4.3%. The growth in revenue from North American customers validates the Group's recent strategy of diversifying its sales regions. In 2025, in addition to deepening services to European and North American clients to drive regional performance, the Group will actively explore opportunities in the Japanese market and enhance business momentum in other regions.

(III) Analysis on profitability

In 2024, the company strived to maintain the same gross profit margin as the previous year at 17%. The operating expense ratio decreased to 12%, down 4 percentage points compared to 2023, resulting in an operating income of NT\$197,593 thousand.

Additionally, non-operating income and expenses in 2024 amounted to NT\$41,123 thousand, an increase of NT\$25,070 thousand compared to 2023.

The net income after tax attributable to owners of the Company for 2024 was NT\$135,185 thousand, with a net profit margin of 3.0%.

(IV) Status of Research & Development

In 2024, the M.J. Group actively promoted green building materials, such as developing lightweight, energy-saving, and emission-reducing SPC floor tiles. The lightweight SPC products are over 15% lighter than the original SPC, which not only reduces carbon emissions, saves shipping costs, and increases container loading capacity, but also provides sound insulation. Additionally, the fully eco-friendly PET floor tiles, made from agricultural and industrial surplus resources combined with PET (NON PVC) material, have obtained invention patents in Taiwan, the United States, and China, and will apply for Taiwan's green building material certification. M.J. has also actively responded to market demand for recycled eco-friendly PVC floor tiles and has invested in developing floor tiles using recycled materials, attracting inquiries from European and American brand customers. New material development, automation of production equipment, and energy savings have always been M.J. Group's long-term competitive advantages. Going forward, based on these foundations, the Group will continue to extend its efforts by integrating corporate social responsibility and circular economy concepts, dedicated to developing more environmentally friendly, carbon-reducing, and sustainable innovative products.

II. Outlook

Benefiting from increased consumer demand in the North American region, customer orders in 2024 grew significantly compared to 2023, driving revenue growth at the Tainan plant, which has now become the Group's production center serving customers in the Americas. In addition to servicing existing large wholesale channels and flooring importers, M.J. is actively developing business opportunities with local SPC flooring distributors in the United States. Although the European Union and Eurozone have revised down their economic growth forecast for 2025 to 1.6%, reflecting a generally weak economy, M.J. continues to collaborate with major European customers on developing new commercial tile series and adjusting product structures for channel brands to expand market share in Europe.

However, the tariff policies aggressively implemented by U.S. President Trump have caused market volatility and uncertainty, further disrupting global trade order and leading to a reorganization of global supply chains. In response, M.J. is proactively engaging with customers to negotiate contingency plans, while reviewing factory operations to implement cost-saving and efficiency-improving measures to prudently face the new global trade challenges brought on by the Trump administration.

Looking ahead to 2025, M.J. International will continue to deepen its presence in the European market by collaborating with major customers to develop innovative products. In the U.S. market, efforts will focus on cost reduction and efficiency improvements, enhancing differentiated product development, and adjusting product and customer structures to improve gross margins and competitiveness. The company will effectively respond to external changes through diversified market layouts, production base allocation, and product innovation capabilities. Moving forward, M.J. will maintain its focus on optimizing product mix and production efficiency to achieve steady growth in 2025. With a long history and accumulated professional expertise, M.J. will continue to optimize team organization, strengthen internal collaboration with customers and suppliers, and deepen its long-term competitiveness. M.J. is committed to maximizing benefits for the company, shareholders, employees, customers, suppliers, and society as a whole.

Upholding the corporate spirit of sincerity, diligence, simplicity, and prudence, M.J. believes that to achieve results, a solid foundation must first be laid. We thank our shareholders for their long-term trust and support. Amid a rapidly changing global environment, the management team and all employees are determined to move forward at full speed, continuously enhancing shareholder value and social value, jointly creating a blue ocean market with competitive advantages, and generating profits.

Wishing all shareholders, ladies and gentlemen,
good health and all the best.

M. J. International Co., Ltd.
Chairman of Board: Chen Pen-Yuan

Two. Corporate Governance Report

I. Organization

Operations by department

Department	Operations & functions
Board of Directors	Make policy-based decisions and set the objectives and policies with respect to the Company's business administration.
Audit Committee	Supervise the Company's business overview and financial position, adequate expression of financial statements, and effective implementation of internal controls.
Remuneration Committee	Establish and periodically assess the performance appraisal on directors and managers, as well as policies, systems, standards and structures of remuneration, and establish and periodically assess the remuneration to directors and managers.
Auditing Office	Conduct the operational audit on the internal regulations, procedures and authorization by the competent authority and the Company, and execution thereof, and provide suggestions about improvement.
Chairman Office	Plan the business strategies, set business objectives, assess and promote investment projects, and plan and execute the affairs related to directors' meetings and shareholders' meetings.
CEO Office	Assists various units in problem-solving and development planning. Develops and executes projects to improve the operating performance of business units. Integrates company information resources and manages information security. Sets and implements management goals related to HR, general affairs, IT, legal affairs, document control, ISO, and environmental health and safety matters within the group.
Business Unit of China	Coordinate the overall strategic planning and project planning of the group's factories in China and its affiliated units, evaluate and gather data such as business plans and performance, and track, supervise and supervise the company's various projects and work objectives and progress. Assist, collect and provide external business management intelligence, information, and hold business meetings.
Business Unit of Taiwan	Coordinate the overall strategic planning and project planning of the group's factories in Taiwan and its affiliated units, evaluate and gather data such as business plans and performance, and track, supervise and supervise the company's various projects and work objectives and progress. Assist, collect and provide external business management intelligence, information, and hold business meetings.
Business Unit of Sale	Oversee the group's business marketing and sales activities.
R&D Center	Integrate new materials, new technologies and new functions to develop new products or new production processes; assist the technology transfer and implement mass production; and establish related documents, such as BOM and SOP. Assess and research the new ideas about forward-looking technologies and products; execute outsourcing R&D cooperative projects; conduct pre-market survey and establish product development plans. Search, assess, apply for and maintenance the patents about the products.

Department	Operations & functions
Financial Division	Responsible for the company's financial planning and allocation, treasury, and shareholder services.
Accounting Division	Responsible for the company's accounting, budgeting, and tax matters.

II. Information about the directors, supervisors, President and CEO, vice presidents, assistant vice presidents and heads of departments and branches

(I) Directors and supervisors

1. Directors

April 27, 2025 Unit: shares; %

Title	Nationality or Place of Registration	Name	Gender & Age	Election /Appointment Date	Term of Office	First Election Date	Shares Held at Election		Current Shares Held		Shares Currently Held by Spouse or Minor Children		Shares Held in Others' Names		Major Experience / Education	Current Positions in This Company and Other Companies	Other Executives, Directors, or Supervisors with Spouse or 2nd-Degree Kinship Relationships			Remarks
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship	
Chairman	Samoa	Black Dragon Assets Limited		2024/6/25	3 years	2014/3/24	4,478,400	6.78%	6,238,299	7.81%	-	-	-	-	-	-	-	-	-	(Note 7)
	Republic of China	Represented by: Chen, Pen-Yuan	Male 71~80				731,797	1.11%	816,098	1.02%	(Note 1)	(Note 1)	(Note 2)	(Note 2)	Junior High School Graduate Business Manager/Production Supervisor, Chun Hung Plastic Industrial Co. Ltd. Factory Manager, HANDSOME PLASTICS CO., LTD. General Manager, M.J. International Co. Ltd.	Chairman of M.J. International Director, Opulent International Group Limited Director, Prolong International Co., Limited General Manager, Purdon King (Hong Kong) Ltd. General Manager, Opulent International Group Ltd. General Manager, Dongguan Prolong Plastic Products Co., Ltd. General Manager, Dongguan Mei Jer Plastic Products Co., Ltd.	Representative Director, ACCORD SKY INVESTMENTS CO., LTD.	Chen, I-Hsiu	Daughter	-
Director	Samoa	Success Reveal Holdings Limited		2024/6/25	3 years	2024/6/25	1,464,480	2.22%	1,568,888	1.97%	-	-	-	-	-	-	-	-	-	(Note 8)

	Republic of China	Represented by: Chen, Chien-Ming	Male 41~50				-	-	117,095	0.15%	71,392	0.09%	(Note 3)	(Note 3)	China University of Technology Graduate	Vice President, Investment Department, Guancheng Co., Ltd.	Representative Director, Infinite Tales Enterprise Limited	Chairman, Infinite Tales Enterprise Limited	
Director	British Virgin Islands	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative		2024/6/25	3 years	2018/9/5	7,779,000	11.78%	7,779,000	9.74%	-	-	-	-	-	-	-	-	(Note 7)
	Republic of China	Representative: Lee Kin-Tsau	Male 71~80	-	-	-	-	-	-	-	-	-	-	-	M.B.A., Massachusetts Institute of Technology, USA Senior Vice President, CT Bright Group Company Limited Chairman, China Steel Express Corporation		-	-	(Note 9)
Director	Republic of China	Lin, An-Hsiu	Male 61~70	2024/6/25	3 years	2010/10/8	1,714,500	2.60%	1,912,007	2.40%	487,899	0.61%	-	-	Elementary School Graduate Chairman, Sin-Cheng Lin Co.	Supervisor, G. T. FLOOR CO., LTD. Director, M.J. International Director, Prolong International Co. Ltd.	-	-	(Note 7)
Director	British Virgin Islands	ACCORD SKY INVESTMENTS CO., LTD.		2024/6/25	3 years	2024/6/25	2,131,200	3.23%	3,174,710	3.98%	-	-	-	-	-	-	-	-	(Note 8)

	Republic of China	Representative: Chen, I-Hsiu	Female 41~50				-	-	2,424,865	3.04%	-	-	(Note 4)	(Note 4)	Bachelor of Business Administration in Marketing, British Columbia Institute of Technology Special Assistant, M.J. International Co. Ltd.	Director, M.J. International Co. Ltd. Director, Dongguan Prolong Plastic Products Co., Ltd. Director, Dongguan Mei Jer Plastic Products Co., Ltd. Director, M.J. Group U.S. Inc. Director, M.J. Technologies (Thailand) Co., Ltd.	Representative Director, Black Dragon Assets Limited	Chen Pen-Yuan	Father	
Director	Samoa	Infinite Tales Enterprise Limited		2024/6/25	3 years	2024/6/25	1,464,480	2.22%	1,600,000	2.00%	-	-	-	-	-	-	-	-	-	(Note 8)
	Republic of China	Representative: Chen, Man-Ling	Female 41~50				-	-	423,775	0.53%	242,000	0.3%	(Note 5)	(Note 5)	Master of Business Administration, Tatung University Marketing Planner, Hunya Foods Co., Ltd. Marketing Planner, Taiwan Mobile Co.		Representative Director, Success Reveal Holdings Ltd.	Chen, Chien-Ming	Brother	
Director	Republic of China	Hsieh Ming-Feng	Male 51~60	2021/8/12	3 years	2014/8/7	760,000	1.15%	128,000	0.16%	657,000	0.82%	(Note 6)	(Note 6)	Department of Chemical Engineering, Lee-Ming Institute of Technology Chairman, Hsing Wei Tsun Co.	Chairman, Hsing Wei Tsun Co. Supervisor, M.J. International Co. Ltd. Supervisor, Dongguan Mei Jer Plastic Products Co., Ltd. Supervisor, Dongguan Prolong Plastic Products Co., Ltd. Chairman, Wei Chung Development Co.	-	-	-	(Note 10)

Independent Director	Republic of China	Kao,, Li-Han	Male 41~50	2024/6/25	3 years	2024/6/25	-	-	-	-	-	-	-	-	Ph.D., Institute of Science and Technology Management, National Chiao Tung University Associate Professor and Chair, Department of Accounting, Soochow University Member, Digital Audit Development Committee, Audit Division	Wayi International Digital Entertainment Co., Ltd. Lucky Royal Co., Ltd.	-	-	-	(Note 8)
Independent Director	Republic of China	Cheng, Yen-Chuan	Male 61~70	2024/6/25	3 years	2024/6/25	-	-	-	-	-	-	-	-	Ph.D., Department of Psychology, National Chengchi University Adjunct Associate Professor, Department of Counseling and Business Psychology, Ming Chuan University Adjunct Associate Professor, Department of Psychology, Fu Jen Catholic University		-	-	-	(Note 8)

Independent Director	Republic of China	Jong Wen-Ren	Male 61~70	2024/6/25	3 years	2021/8/12	-	-	-	-	-	-	-	-	Ph.D. in Mechanical Engineering, Cornell University, U.S.A. Deputy Director, Intelligent Manufacturing R&D Center, Chung Yuan Christian University Director, Computer Center, Chung Yuan Christian University	Deputy Director, Intelligent Manufacturing R&D Center, Chung Yuan Christian University Independent Director, Johnson Health Tech Co., Ltd.	-	-	-	(Note 7)
Independent Director	Republic of China	Chiou, Yyh-Shen	Male 51~60	2021/8/12	3 years	2020/6/9	-	-	-	-	-	-	-	-	Ph.D. in Marketing, Michigan State University, USA Professor, Department of International Business, and Associate Dean of Academic Affairs, College of Commerce, National Chengchi University	Distinguished Professor, Department of International Trade, National Chengchi University Independent Director, STL Technology Co., Ltd.	-	-	-	(Note 10)
Independent Director	Republic of China	Lee, Chen-Hung	Male 61~70	2022/6/15	2 years	2022/6/15	-	-	-	-	-	-	-	-	MBA, National Chengchi University Executive Director, Anyong Fintech Co., Ltd. General Manager, FinRobo General Manager, UBS Securities Co., Ltd.	Executive Director, Anyong Fintech Co., Ltd.	-	-	-	(Note 10)

Note 1: The spouse of Chen, Pen-Yuan holds 100% equity of ALPHA MARVEL CORPORATION, which holds 3.91% equity in the company.

Note 2: Chen, Pen-Yuan holds 100% equity of Black Dragon Assets Limited, which holds 7.81% equity in the company.

Note 3: Chen, Chien-Ming holds 100% equity of Success Reveal Holdings Limited, which holds 1.97% equity in the company.

Note 4: Chen, I-Hsiu holds 100% equity of ACCORD SKY INVESTMENTS CO., LTD., which holds 3.98% equity in the company.

Note 5: Chen, Man-Ling holds 100% equity of Infinite Tales Enterprise Limited, which holds 2.00% equity in the company.

Note 6: Hsieh Ming-Feng holds 39.70% equity of Wei Chung Development Co., Limited, which holds 0.12% equity in the company.

Note 7: On June 25, 2024, the entire board of directors was elected and appointed at the shareholders' meeting.

Note 8: At the shareholders' meeting on June 25, 2024, directors were newly appointed following a complete board election.

Note 9: Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative, appointed Qing-Chao Li as the new representative on August 21, 2024.

Note 10: Term expired on June 25, 2024, at the shareholders' meeting.

2. Supervisors: N/A, because the Company has already established the Audit Committee.

3. Major shareholders of institutional shareholders

April 27, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders
Black Dragon Assets Limited	Chen Pen-Yuan (100%)
ACCORD SKY INVESTMENTS CO., LTD.	Chen I-Hsiu (100%)
Success Reveal Holdings Limited	Chen Chien-Ming (100%)
Infinite Tales Enterprise Limited	Chen Man-Ling (100%)
Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account	CT Bright Fund Management Company Limited (100%)

4. Major shareholders of institutional shareholders' major shareholders who are institutional investors

April 27, 2025

Name of Institute Investor	Major shareholders of Institute Investors
CT Bright Capital Company Limited	CT Bright Fund Management Company Limited (100%)

(II) Information about directors and supervisors

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

Qualifications Name	Professional qualifications and experience	Independence analysis	Number of public companies where the person holds the position as independent director
Chen Pen-Yuan	Graduated from junior high school Sales Manager/Production Section Chief of Zhen Hong Plastics Industry Co., Ltd. Factory manager of HANDSOME PLASTICS CO., LTD. President of M.J. Chairman of Board of M.J. International Flooring and Interior Products Inc Director of Opulent International Group Limited. Director of Prolong International Co., Limited.	There is no case related to Article 30 of the Company Act.	0
Chen Chien-Ming	Graduated from China University of Technology Vice President of Investment Department of Crown Harvest Company Limited.	There is no case related to Article 30 of the Company Act.	0
Lee Kin-Tsau	Master of Business Administration (MBA), MIT Senior Vice President, CT BRIGHT Group COMPANY LIMITED. Chairman, China Steel Express Corporation	There is no case related to Article 30 of the Company Act.	0
Director Lin An-Hsiu	Graduated from elementary school Supervisor of G.T Floor Co., LTD. Director of M.J. International Flooring and Interior Products Inc(TW) Director of Prolong International Co., Limited(HK)	There is no case related to Article 30 of the Company Act.	0
Director Chen I-Hsiu	Bachelor of Marketing from British Columbia Institute of Technology. Executive Assistant to CEO of M.J. G.M Division Director Marketing of M.J. Director of M.J. International Flooring and Interior Products Inc Director of Dongguan Prolong Plastic Products Co., Ltd. Director of Dongguan Mei Jer Plastic Products Co., Ltd. Director of M.J. Group US INC Director of M.J. TECHNOLOGIES (THAILAND) CO., LTD.	There is no case related to Article 30 of the Company Act.	0

Qualifications Name	Professional qualifications and experience	Independence analysis	Number of public companies where the person holds the position as independent director
Director Chen Man-Ling	Master of Department of Business Management, Tatung University. Marketing Plan of Hunya Foods Co., Ltd. Marketing Plan of Taiwan Mobile Co.		
Independent Director Kao, Li-Han	Ph.D. in National Chiao Tung University of Institute of Management of technology. Associate Professor and Chairperson, Soochow University Department of Accounting.	As an independent director, I meet the criteria for independence, including but not limited to the following: neither I, my spouse, nor any relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; neither I, my spouse, nor any relatives within the second degree of kinship (or through the use of another person's name) hold any shares in the Company; I do not serve as a director, supervisor, or employee of any company having a specific relationship with the Company; and I have not, within the past two years, received any remuneration for providing business, legal, financial, or accounting services to the Company or its affiliates.	2
Independent Director Cheng, Yen-Chuan	Ph.D., Department of Psychology, National Chengchi University. Adjunct associate professor of Department of Counseling, Clinical and Industrial /Organizational Psychology, Ming Chuan University. Independent Director of Wayi International Digital Entertainment Co., Ltd. Independent Director of Lucky Royal Co., Ltd.		0
Independent Director Jong Wen-Ren	Ph.D. in Mechanical Engineering, Cornell University, USA Director, Office of Information Technology, CYCU Director of Computer Center of Information Technology, CYCU Central China University Deputy Director of Smart Manufacturing R&D Center of Central China University Independent Director of Johnson Health Tech.		1

2. Diversity and Independence of the Board of Directors

(1) Board Diversity

The company advocates and respects board diversity policies. To enhance corporate governance and promote sound development of the board's composition and structure, the company believes that diversity contributes to overall performance improvement. The company's "Corporate Governance Best Practice Principles," as approved by the board of directors, explicitly outline the board diversity policy. Article 5.3.1 states:

The composition of the board of directors should consider diversity and formulate an appropriate diversity policy based on the company's operation, business model, and development needs. The criteria for diversity should include, but not be limited to, the following two major aspects:

- (2) Basic attributes and values: such as gender, age, nationality, and culture.
- (3) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience. Board members shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities: operational judgment ability, accounting and financial analysis ability, operation management ability, crisis handling ability, industrial knowledge, international market view, leadership ability, and decision-making ability.

The Company's current board of directors diversity policy and implementation are as follows:

Diversity Items	Basic Component										Diversity Situation						
	Nationality	Gender	An employee of the Company	Age				Independent directors' tenure			Ability to conduct management administration	Ability to perform accounting and financial	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make operational judgments
				41~50	51~60	61~70	71~80	Over 3 Years	3~6 Years	Over 6 Years							
Chairman, Black Dragon Assets Limited Representative: Chen Pen-Yuan	R.O.C	Male					✓				✓		✓	✓	✓	✓	✓
Director, Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Lee Kin-Tsau	R.O.C	Male					✓				✓	✓	✓		✓		✓
Director, Lin An-Hsiu	R.O.C	Male				✓					✓		✓	✓	✓	✓	✓
ACCORD SKY INVESTMENTS CO., LTD. Representative: Chen I-Hsiu	R.O.C	Female	✓	✓							✓		✓	✓	✓	✓	✓
Success Reveal Holdings Limited Representative: Chen Chien-Ming	R.O.C	Male		✓							✓		✓	✓	✓		✓
Infinite Tales Enterprise Limited Representative: Chen Man-Ling	R.O.C	Female		✓							✓		✓		✓	✓	✓
Independent Director, Kao, Li-Han	R.O.C	Male		✓							✓	✓		✓	✓	✓	✓
Independent Director, Jong Wen-Ren	R.O.C	Male				✓				✓	✓		✓	✓	✓		✓

Diversity Items	Basic Component									Diversity Situation							
	Nationality	Gender	An employee of the Company	Age				Independent directors' tenure			Ability to conduct management administration	Ability to perform accounting and financial	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make operational judgments
				41~50	51~60	61~70	71~80	Over 3 Years	3~6 Years	Over 6 Years							
Independent Director, Cheng, Yen-Chuan	R.O.C	Male				✓					✓		✓		✓	✓	✓

The current Board of Directors of the Company comprises nine Directors, and the specific management objectives and achievements of the diversity policy of the board of directors are as follows:

Management objectives	Reached situation
The number of independent directors seats is one-third of the number of directors	Reached
Directors who are also the managers of the company shall not exceed one-third of the number of directors' seats	Reached
Sufficient and diverse professional knowledge and skills	Reached

(III) Board Independence

The Company currently has 9 members of the Board of Directors, including 3 independent directors and 1 director with employee status (33.33% and 11.11% of all directors).

As of the end of 2024, the independent directors have complied with the norms of the Securities and Futures Bureau of the Financial Regulatory Commission on independent directors, and there are no matters between the directors and independent directors under Article 26-3 of the Securities Exchange Act, items 3 and 4, the board of directors of the Company is independent please refer to 14 to 15 of this annual report - Disclosure of the professional qualifications of directors and independent director independence), and the academic qualifications, gender and work experience of each director (please refer to pages 8 to 17 of this annual report - director information).

The Company's board members come from diverse professional backgrounds, providing valuable insights and experience to support the Company's development. At present, the proportion of board seats held by a single gender does not yet reach one-third. Moving forward, the Company will incorporate the principle of gender diversity into the nomination and selection process for board members. During the full board re-election in 2027, the Company will continue striving to increase the proportion of female directors. Our goal is to continuously enhance diversity in terms of gender, age, nationality, and cultural background, thereby gradually improving gender diversity on the Board and strengthening corporate governance and the breadth of perspectives in decision-making.

(IV) President and CEO, vice presidents, assistant vice presidents and heads of departments and branches

April 27, 2025 Unit: shares; %

Job title	Nationality	Name	Gender	Date of Election (Appointment)	Quantity of shares held		Quantity of shares held by their spouses and minor children		Number of shares held under another person's name		Educational background (work experience)	Positions concurrently held in other companies	Spouse or relative within 2nd degree of kinship and who is a manager			note
					Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Title	Name	Relationship	
General Manager	R.O.C	Wang Chuan-Han	Male	2023/4/1	-	-	-	-	-	-	Doctor of Engineering, University of Cambridge, UK General Manager of Liande Precision Industry Co., Ltd. Shanxi Hi-Tech Huaye Group Executive Vice President/Subsidiary General Manager TSMC Marketing Senior Manager Hong Kong Zhenmingli R&D Director/Vice President of Sales Chief Engineer of Automatic Control Project, Valmet, Finland	Spokesperson	-	-	-	-
Vice President	R.O.C	Chen I-Hsiu	Female	2024/6/25	2,424,865	3.04%	-	-	(Note 1) 3,174,710	(Note 1)	Bachelor of Marketing from British Columbia Institute of Technology. Executive Assistant to CEO of M.J.	Acting Spokesperson (Note 2)	-	-	-	-
Special Assistant to the Chairman	R.O.C.	Ho Chiang-Chun	Male	2025/4/1	-	-	-	-	-	-	Graduate student of the Ph.D. program of the National Development and Mainland China Institute of Chinese Culture University Doctor of Economy & Management School, Wuhan UniversityGuangzhou Lingnan Tongweng Education Invested - special assistant of the President concurrent the Acting President LiteOn Group-Director, Human Resource Division,China Enlight Corporation Group-Director of China General Management Office Aurora Communications-Director of General Management Department Director of Far East Airlines-Human Resources and General Affairs	-	-	-	-	(Note 3)
GM of Business Unit	R.O.C.	Chang Chih-Tai	Male	2022/3/1	-	-	-	-	-	-	Master of International Business Institute, National Dong Hwa University Deputy General Manager of NEW BRIGHT INTERNATIONAL GROUP LIMITED General Manager of Business Unit of NEO-NEON HOLDINGS LTD. Special Assistant of president Office-Bao Der Marble Co., LTD.	-	-	-	-	-
Vice President	China	Li Liang-You	Male	2018/6/1	-	-	-	-	-	-	Wanzai Vocational Technical School (mainland China) M.J. - Section Chief of Supplies Section, Production Control Department M.J. - Section Chief of Quality Assurance Department M.J. - Manager of Manufacturing Department	-	-	-	-	-

Job title	Nationality	Name	Gender	Date of Election (Appointment)	Quantity of shares held		Quantity of shares held by their spouses and minor children		Number of shares held under another person's name		Educational background (work experience)	Positions concurrently held in other companies	Spouse or relative within 2nd degree of kinship and who is a manager			note
					Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Title	Name	Relationship	
Chief Auditor	R.O.C	Hung Ming-Ji	Male	2019/11/11	-	-	-	-	-	-	Dept. of Business Management, National Taiwan University of Science and Technology Manager of the audit office and finance dept., Mibtech Plastic & Molds Co., Ltd Vice manager of the audit office, Sunvic Technology Co., Ltd. Vice manager of the finance and accounting dept., Top Yang Technology Enterprise Co., Ltd. Vice manager of the finance and accounting dept., Lian Hong Art Co., Ltd. Chief of the finance and accounting sector, I-Chiun Precision Industry Co., Ltd.	-	-	-	-	-
Accounting Supervisor	R.O.C.	Huang, Yen-Chen	Female	2023/8/31	20,000	0.03%	-	-	-	-	Master of Dept. of Accounting , Soochow University Accounting Div. Associate Director ,Chilisin Electronics Corp. Accounting and Finance Department Manager , Sysgration Ltd. Accounting and Finance Department Associate Manager ,STAR WORLD TECHNOLOGY CORPORATION	Financial officer /corporate governance officer	-	-	-	-
Vice President	R.O.C	Lin, Chun-Cheng	Male	2023/8/31	-	-	-	-	-	-	Master of Dept. of Chemistry , National Cheng Kung University Head of Engineering , Cymmetrik R&D Senior Manager , TING ZHENG PRINTING & PACKING MATERIAL CO.,LTD R&D Senior Manager , HOME VIGOROUS TECHNICAL CORP	-				(Note 4)
Vice President	R.O.C	Lin, Chih-Hung	Male	2023/9/1	-	-	-	-	-	-	Bachelor's Degree, Department of International Trade, Soochow University Director, Research and Development Center, M.J. International Director, Export Business Division, M.J. International Manager, Product Planning Department, M.J. International Senior Specialist, Export Department, M.J. International	-	-	-	-	
Vice President	R.O.C	Cheng, Po-Jen	Male	2023/11/15	-	-	-	-	-	-	Master's Degree, Institute of Materials Science and Engineering, National Cheng Kung University Production Manager, Taya Group Director, Epitaxy Manufacturing Division, FORMOSA EPITAXY Director, Epitaxy Manufacturing Division, EPISTAR Engineer, TSMC	-	-	-	-	Note 5

Job title	Nationality	Name	Gender	Date of Election (Appointment)	Quantity of shares held		Quantity of shares held by their spouses and minor children		Number of shares held under another person's name		Educational background (work experience)	Positions concurrently held in other companies	Spouse or relative within 2nd degree of kinship and who is a manager			note
					Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Title	Name	Relationship	
GM of Business Unit	R.O.C	Chen, Chin-Lung	Male	2024/3/19	-	-	-	-	-	-	Ph.D. in Mechanical Engineering, National Taiwan University Factory Director, PRIMAX Factory Director, AFOP Manager of Engineering, Quality Assurance, and Manufacturing, Foxconn	-	-	-	-	
Vice President	R.O.C	Chen, Chien-Cheng	Male	2024/3/20	-	-	-	-	-	-	Master's Degree, Institute of Applied Mathematics, National Chung Hsing University Production Section Chief, Guanyin and Kaohsiung Plants, Golden Century Paper Plant Director, Kunshan Plant (China), Yong Feng Yu Chief Engineer, Taiwan Branch, Kimberly-Clark Corporation	-	-	-	-	-
Vice President	R.O.C	Sung, Yuan-Hsiung	Male	2024/8/16	15,000	0.02%	-	-	-	-	Master's Degree, Graduate Institute of Industrial Management, National Cheng Kung University Special Assistant, M.J. International Special Assistant, Management Office, NUTRITEC-ENJOY Special Assistant, WELLPOWER SPORTING GOODS Director, CSM Division, Sinar Mas Group Senior Manager, CEO Office, CymMetrik Group	-	-	-	-	
Vice President	R.O.C	Tung, Ming-Li	Male	2025/3/1	1,000	0.00%	-	-	-	-	Master's Degree, Department of Business Administration, National Sun Yat-sen University Bachelor's Degree, Department of Mechanical Engineering, National Cheng Kung University Project Leader, Engineering Division, CSC Associate Vice President, Shipping Department, China Steel Express Corporation Associate Vice President, Marine Engineering Department, China Steel Express Corporation Section Leader, Rolling Mill Equipment Engineering Department, Engineering Division, CSC	-	-	-	-	
Research and Development Supervisor	R.O.C	Liao, Hsuan-Ke	Male	2025/4/1	32,000	0.04%	-	-	-	-	Doctoral Research, School of Chemistry, University of Edinburgh, U.K. Master's Degree, Institute of Chemistry, National Central University Lab Manager, China Lab, Shaw Industries Technical Director, BBL Flooring Deputy General Manager of R&D, Tianjin Minghe Technical Department Manager, Dongguan Mei Jer Plastic Products	-	-	-	-	-

Note 1: Chen I-Hsiu holds 100% equity in ACCORD SKY INVESTMENTS CO., LTD., which holds a 3.98% equity stake in the Company.

Note 2: Chen I-Hsiu concurrently serves as a Director of M.J. International Co., Ltd., Dongguan Prolong Plastic Products Co., Ltd., Dongguan Mei Jer Plastic Products Co., Ltd., M.J. GROUP US INC, and M.J. TECHNOLOGIES (THAILAND) CO., LTD.

Note 3: Ho Chiang- Chun was appointed on November 20, 2019, retired on July 31, 2024, and was reappointed on April 1, 2025.

Note 4: Lin, Chun-Cheng resigned on October 25, 2024.

Note 5: Cheng, Po-Jen resigned on March 18, 2024.

III. Remuneration to Directors, Supervisors, President and Vice Presidents

(I) Remuneration to directors, supervisors, president and vice presidents in the most recent year

1. Remuneration to directors (including independent directors)

Unit: NTD Thousand

Job title	Name	Remuneration to directors								The sum of A, B, C and D in proportion to earnings		Remuneration received in the capacity as employees								The sum of A, B, C, D, E, F and G in proportion to earnings		Remuneration from investees other than subsidiaries
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		For professional practice (D)				Salary, bonus and special allowance, et al.		Pension (F)		Remuneration to employees (G)						
		the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	Cash dividend	Stock dividend	Cash dividend	Stock dividend	the Company	All companies included in the financial statements			
Chairman	Black Dragon Assets Limited Representative: Chen Pen-Yuan (Note 1)	443	4,923	-	-	-	-	30	30	473 0.35%	4,953 3.66%	-	-	-	-	-	-	-	-	473 0.35%	4,953 3.66%	No
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Ho Ping-Hsien (Note 1, 2)	221	221	-	-	-	-	6	6	227 0.17%	227 0.17%	-	-	-	-	-	-	-	-	227 0.17%	227 0.17%	No
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Lee Kin-Tsau (Note 1, 2)	-	-	-	-	-	-	6	6	6 0%	6 0%	-	-	-	-	-	-	-	-	6 0%	6 0%	No
Director	Lin An-Hsiu (Note 1)	221	221	-	-	-	-	30	30	251 0.19%	251 0.19%	-	-	-	-	-	-	-	-	251 0.19%	251 0.19%	No
Director	ACCORD SKY INVESTMENTS CO., LTD. Representative: Chen I-Hsiu (Note 3)	-	-	-	-	-	-	6	6	6 0%	6 0%	-	642	-	38	-	-	-	-	6 0%	686 0.51%	No
Director	Success Reveal Holdings Limited	-	-	-	-	-	-	18	18	18 0.01%	18 0.01%	-	-	-	-	-	-	-	-	18 0.01%	18 0.01%	No

	Representative: Chen Chien-Ming (Note 3)																					
Director	Infinite Tales Enterprise Limited Representative: Chen Man-Ling (Note 3)	-	-	-	-	-	-	18	18	18 0.01%	18 0.01%	-	-	-	-	-	-	-	-	18 0.01%	18 0.01%	No
Director	Hsieh Ming-Feng (Note 4)	221	221	-	-	-	-	12	12	233 0.17%	233 0.17%	-	-	-	-	-	-	-	-	233 0.17%	233 0.17%	No
Director	CROWN HARVEST COMPANY LIMITED Representative: Chen Chien-Ming (Note 5)	111	111	-	-	-	-	-	-	111 0.08%	111 0.08%	-	-	-	-	-	-	-	-	111 0.08%	111 0.08%	No
Independent Director	Jong Wen-Ren (Note 1)	438	438	-	-	-	-	30	30	468 0.35%	468 0.35%	-	-	-	-	-	-	-	-	468 0.35%	468 0.35%	No
Independent Director	Kao, Li-Han (Note 3)	-	-	-	-	-	-	18	18	18 0.01%	18 0.01%	-	-	-	-	-	-	-	-	18 0.01%	18 0.01%	No
Independent Director	Cheng, Yen-Chuan (Note 3)	-	-	-	-	-	-	18	18	18 0.01%	18 0.01%	-	-	-	-	-	-	-	-	18 0.01%	18 0.01%	No
Independent Director	Chiou, Jyh-Shen (Note 4)	438	438	-	-	-	-	12	12	450 0.33%	450 0.33%	-	-	-	-	-	-	-	-	450 0.33%	450 0.33%	No
Independent Director	Lee Chen-Hung (Note 4)	438	438	-	-	-	-	12	12	450 0.33%	450 0.33%	-	-	-	-	-	-	-	-	450 0.33%	450 0.33%	No

Note 1: On June 25, 2024, the entire board of directors was elected and appointed at the shareholders' meeting.

Note 2: Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account, appointed Lee Kin-Tsau as the new representative on August 21, 2024.

Note 3: At the shareholders' meeting on June 25, 2024, directors were newly appointed following a complete board election.

Note 4: Term expired on June 25, 2024, at the shareholders' meeting.

Note 5: On July 26, 2023, due to the company's spin-off resulting in the transfer of more than half of the shares held at the time of election, the director position was automatically terminated in accordance with the law.

Breakdown of remuneration

Breakdown of remuneration to directors	Name of director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements
Less than NT\$1,000,000	Black Dragon Assets Limited (Representative: Chen Pen-Yuan), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Ping-Xian He), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Lee Kin-Tsau), ACCORD SKY INVESTMENTS CO., LTD. (Representative: Chen I-Hsiu), Success Reveal Holdings Limited (Representative: Chen Chien-Ming) 、 Infinite Tales Enterprise Limited (Representative: Chen,Man-Ling) 、 CROWN HARVEST COMPANY LIMITED (Representative: Chen Chien-Ming), Lin, An-Hsiu, Hsieh,Ming-Feng Jong Wen-Ren, Kao, Li-Han, Cheng, Yen-Chuan, Chiou, Jyh-Shen, Lee Chen-Hung	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Ping-Xian He), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Lee Kin-Tsau), ACCORD SKY INVESTMENTS CO., LTD. (Representative: Chen I-Hsiu), Success Reveal Holdings Limited (Representative: Chen Chien-Ming) 、 Infinite Tales Enterprise Limited (Representative: Chen Man-Ling) 、 CROWN HARVEST COMPANY LIMITED (Representative: Chen Chien-Ming), Lin An-Hsiu, Hsieh Ming-Feng, Jong Wen-Ren, Kao, Li-Han, Cheng, Yen-Chuan, Chiou, Jyh-Shen, Lee Chen-Hung	Black Dragon Assets Limited (Representative: Chen Pen-Yuan), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Ping-Xian He), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Lee Kin-Tsau), ACCORD SKY INVESTMENTS CO., LTD. (Representative: Chen I-Hsiu), Success Reveal Holdings Limited (Representative: Chen Chien-Ming) 、 Infinite Tales Enterprise Limited (Representative: Chen Man-Ling) 、 CROWN HARVEST COMPANY LIMITED (Representative: Chen Chien-Ming), Lin An-Hsiu, Hsieh Ming-Feng, Jong Wen-Ren, Kao, Li-Han, Cheng, Yen-Chuan, Chiou, Jyh-Shen, Lee Chen-Hung	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Ping-Xian He), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (Representative: Lee Kin-Tsau), ACCORD SKY INVESTMENTS CO., LTD. (Representative: Chen I-Hsiu), Success Reveal Holdings Limited (Representative: Chen Chien-Ming) 、 Infinite Tales Enterprise Limited (Representative: Chen Man-Ling) 、 CROWN HARVEST COMPANY LIMITED (Representative: Chen Chien-Ming), Lin An-Hsiu, Hsieh Ming-Feng, Jong Wen-Ren, Kao, Li-Han, Cheng, Yen-Chuan, Chiou, Jyh-Shen, Lee Chen-Hung
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	-	Black Dragon Assets Limited (Representative: Chen Pen-Yuan)	-	Black Dragon Assets Limited (Representative: Chen Pen-Yuan)
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive)~	-	-	-	-

NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)~ NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	14 people	14 people	14 people	14 people

Note :CROWN HARVEST COMPANY LIMITED was automatically dismissed from their director position on July 26, 2023, in accordance with the law, due to the transfer of shares exceeding half of the shares held at the time of their election.

2. Remuneration to supervisors: N/A, because the Company has already established the Audit Committee.

3. Remuneration to President and Vice Presidents

Unit: NT\$ thousand; %

Job title	Name	Salary (A)		Pension (B)		Bonus and special allowance, et al. (C)		Remuneration (D)				The sum of A, B, C and D in proportion to earnings		Remuneration from investees other than subsidiaries
		the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company	All companies included in the financial statements	the Company		All companies included in the financial statements		the Company	All companies included in the financial statements	
								Bonus in cash	Bonus in the form of stock	Bonus in cash	Bonus in the form of stock			
President	Chuan-Han Wang	-	13,963	-	823	-	3,476	-	-	-	-	-	18,262 13.51%	None
GM of Business Unit	Chang Chih- Tai													
GM of Business Unit	Chen,Chin-Lung													
Special Assistant	Ho Chiang-Chun													
Vice President	Lin, Chun-Cheng													
Vice President	Lin, Chih-Hung													
Vice President	Jian-Cheng Chen													
Vice President	Sung, Yuan-Hsiung													
Vice President	Chen I-Hsiu													
Vice President	Li Liang-You													
Vice President	Zheng Bo-Ren													

Note 1: Chen,Chin-Lung was appointed on March 19, 2024, and resigned on April 30, 2025.

Note 2: Ho Chiang- Chun retired on July 31, 2024, and was reappointed on April 1, 2025.

Note 3: Lin, Chun-Cheng resigned on October 25, 2024.

Note 4: Jian-Cheng Chen was appointed on March 20, 2024.

Note 5: Sung, Yuan-Hsiung was appointed on August 16, 2024.

Note 6: Chen I-Hsiu was appointed on August 16, 2024.

Note 7: Zheng Bo-Ren resigned on March 18, 2024.

Breakdown of remuneration

Breakdown of remuneration to President and Vice President of the Company	Name of President and Vice President	
	the Company	All companies included in the financial statements
Less than NT\$1,000,000	-	Chen, Chien-Cheng, Sung, Yuan-Hsiung, Cheng, Po-Jen
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	-	Chen,Chin-Lung, Ho Chiang- Chun, Lin, Chun-Cheng, Lin, Chih-Hung , Chen I-Hsiu, Li Liang-You
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	-	Chang, Chih-Tai
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	-	Wang, Chuan-Han
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	0 people	11 people

4. Name of the manager whom the employee bonus was allocated to in the most recent year and status of the allocation:

Mar 15, 2024 Unit: NT\$ thousand; %

	Job title	Name	Bonus in the form of stock	Bonus in cash	Total	Total in proportion to earnings (%)
Manager	President	Chuan-Han Wang	-	-	-	-
	GM of Business Unit	Chang Chih-Tai				
	GM of Business Unit (Note 1)	Chen, Chin-Lung				
	Special Assistant (Note 2)	Ho Chiang-Chun				
	Vice President (Note 3)	Lin, Chun-Cheng				
	Vice President	Lin, Chih-Hung				
	Vice President (Note 4)	Jian-Cheng Chen				
	Vice President (Note 5)	Sung, Yuan-Hsiung				
	Vice President (Note 6)	Chen I-Hsiu				
	Vice President	Li Liang-You				
	Vice President (Note 7)	Zheng Bo-Ren				
	Accounting Supervisor	Huang Yen-Chen				

Note 1: Chen, Chin-Lung was appointed on March 19, 2024, and resigned on April 30, 2025.

Note 2: Ho Chiang- Chun retired on July 31, 2024, and was reappointed on April 1, 2025.

Note 3: Lin, Chun-Cheng resigned on October 25, 2024.

Note 4: Jian-Cheng Chen was appointed on March 20, 2024.

Note 5: Sung, Yuan-Hsiung was appointed on August 16, 2024.

Note 6: Chen I-Hsiu was appointed on August 16, 2024.

Note 7: Zheng Bo-Ren resigned on March 18, 2024.

(4-1) the top of five supervisors Remuneration

Unit: NT\$ thousand

Title	Name	Remuneration (A)		Retirement and Pension Payments (B)		Bonuses and Special Expense Allowances (C)		Amount of Employee Compensation (D)				Total of Items A–D and Percentage of Net Income After Tax (%)		Remuneration Received from Investee Companies Other Than Subsidiaries or from the Parent Company
		The Company	All Entities in the Financial Report	The Company	All Entities in the Financial Report	The Company	All Entities in the Financial Report	The Company		All Entities in the Financial Report		The Company	All Entities in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Wang Chuan-Han	-	2,520	-	108	-	1,480	-	-	-	-	-	4,108 3.04%	None
GM of Business Unit	Chang Chih- Tai	-	1,866	-	79	-	328	-	-	-	-	-	2,273 1.68%	None
Vice President	Lin, Chih-Hung	-	1,570	-	88	-	370	-	-	-	-	-	2,028 1.50%	None
Special Assistant (Note 1)	Ho Chiang-Chun	-	1,420	-	63	-	412	-	-	-	-	-	1,895 1.40%	None
GM of Business Unit (Note 2)	Chen,Chin-Lung	-	1,654	-	100	-	16	-	-	-	-	-	1,770 1.31%	None

Note 1: Ho Chiang- Chun retired on July 31, 2024, and was reappointed on April 1, 2025.

Note 2: Chen,Chin-Lung was appointed on March 19, 2024, and resigned on April 30, 2025.

(II) Please specify and compare the remuneration to directors, supervisors, President and vice presidents of the Company in proportion to the earnings from the Company and companies included in the consolidated financial statements in the latest 2 years, and specify the policies, standards, combinations, procedure of decision-making of remuneration and their relation to business performance.

1. Analysis of the Total Remuneration Paid to Directors, Supervisors, President, and Vice Presidents by the Company and All Entities Included in the Consolidated Financial Statements in the Most Recent Two Years, and Its Proportion to Net Income (or Net Loss) After Tax:

Unit: NT\$ thousand

Item \ Year	2023		2024	
	Total remuneration	in proportion to earnings (%)	Total remuneration	in proportion to earnings (%)
Director	7,988	-12.42%	7,227	5.35%
President and Vice President	15,871	-24.68%	18,262	13.51%

2. The total remuneration paid to directors, president and vice presidents in proportion to earnings in 2023 and 2024 was -37.10% and 18.85% respectively. The remuneration was allocated pursuant to the Company's Articles of Incorporation and related payroll regulations. Meanwhile, the Company has established the Remuneration Committee in October 2014, which consisted of the independent directors and engaged in periodically reviewing and assessing the performance of directors and managers, as well as policies, systems, standards and structures of remuneration, which shall afford to signify the liability and risk borne by them.

IV. Status of corporate governance

(I) Operation of the Board of Directors

The Board has held 5 (A)(Note 1) sessions in 2024, and the attendance of directors is specified as following:

Job title	Name	Counts of attendance (B)	Counts of attendance by proxy	Actual attendance rate (%) (B)/(A)	Remark
Chairman	Black Dragon Assets Limited Representative: Chen Pen-Yuan	5	0	100%	Note 2
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Ho Ping-Hsien	1	1	33.33%	Note 3 One absence
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Lee Kin-Tsau	2	0	100%	Note 3
Director	Lin An-Hsiu	5	0	100%	Note 2

Director	Hsieh Ming-Feng	2	0	100%	Note 4
Director	ACCORD SKY INVESTMENTS CO., LTD. Representative: Chen I-Hsiu	1	2	33.33%	Note 5
Director	Success Reveal Holdings Limited Represented by: Chen Chien-Ming	3	0	100%	Note 5
Director	Infinite Tales Enterprise Limited Representative: Chen Man-Ling	3	0	100%	Note 5
Independent Director	Lee, Chen-Hung	2	0	100%	Note 4
Independent Director	Chiou, Yyh-Shen	2	0	100%	Note 4
Independent Director	Jong Wen-Ren	5	0	100%	Note 2
Independent Director	Kao, Li-Han	3	0	100%	Note 5
Independent Director	Cheng, Yen-Chuan	3	0	100%	Note 5

Note 1: Before the full board re-election at the shareholders' meeting on June 25, 2024, two meetings were held. After the re-election, three meetings were convened.

Note 2: On June 25, 2024, the entire board of directors was elected and appointed at the shareholders' meeting.

Note 3: Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account, appointed Mr. Lee Kin-Tsau as the new representative on August 21, 2024.

Note 4: Term expired on June 25, 2024, at the shareholders' meeting.

Note 5: At the shareholders' meeting on June 25, 2024, directors were newly appointed following a complete board election.

Other notes

- Where the operation of the Board of Directors meets any of the following circumstances, please clearly state the meeting date, term, contents of motion, opinions of all independent directors and the Company's handling of said opinions:

- (1) The circumstances referred to in Article 14~3 of the Securities and Exchange Act:
None.

December 31, 2024

Date of Board of Directors Meeting	Proposal content and resolution	Opinions of independent directors	The company's handling of independent directors' opinions	Independent directors hold objections or reservations and have records or written statements
March 7, 2024 The 12th Meeting of the 6th Term	Proposal: Submission of the Company's 2023 "Internal Control System Statement." Resolution: Approved as proposed.	None	None	None
	Proposal: Approval of the Company's 2023 Annual Business Report and Consolidated Financial Statements. Resolution: Approved as proposed.	None	None	None
	Proposal: Appropriation of Loss and Earnings Distribution for the Year 2023. Resolution: Approved as proposed.	None	None	None
	Proposal: Directors' Remuneration for the Year 2023. Resolution: Approved as proposed.	None	None	None
	Proposal: Year-End Bonus Distribution for the Chairman and Senior Management. Resolution: Approved as proposed.	None	None	None

Date of Board of Directors Meeting	Proposal content and resolution	Opinions of independent directors	The company's handling of independent directors' opinions	Independent directors hold objections or reservations and have records or written statements
	Proposal: Approval of Remuneration for the Company's Certified Public Accountants. Resolution: Approved as proposed.	None	None	None
	Proposal: Evaluation of Independence and Competence of the Company's Certified Public Accountants. Resolution: Approved as proposed.	None	None	None
	Proposal: Increase of Credit Facilities and Renewal of Loan Agreements for Group Subsidiaries with Banks. Resolution: Approved as proposed.	None	None	None
	Proposal: Provision of Guarantee for Group Subsidiaries. Resolution: Approved as proposed.	None	None	None
	Proposal: Investment in North American Subsidiary. Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company and Subsidiaries' "Internal Control System – Computerized Information Systems Cycle." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company and Subsidiaries' "Authorization Table." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company and Subsidiaries' "Procedures for Acquisition or Disposal of Assets." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Management Procedures for Lending to Others." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Director Election Procedures," "Code of Ethical Conduct for Listed Companies," "Standard Operating Procedures for Handling Directors' Requests," and "Procedures for Handling Material Inside Information and Prevention of Insider Trading." Resolution: Approved as proposed.	None	None	None
May 9, 2024 The 13th Meeting of the 6th Term	Proposal: Approval of the 2024 First Quarter Financial Report. Resolution: Approved as proposed.	None	None	None
	Proposal: Transfer of Shares in Canadian Subsidiary "Green Touch Floors Inc." (60% Indirect Ownership). Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Internal Control System – General Provisions" and "Internal Audit Procedures." Resolution: Approved as proposed.	None	None	None

Date of Board of Directors Meeting	Proposal content and resolution	Opinions of independent directors	The company's handling of independent directors' opinions	Independent directors hold objections or reservations and have records or written statements
	Proposal: Amendments to Subsidiaries' "Internal Control System – Sales and Collection Cycle." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Board of Directors Meeting Rules" and "Audit Committee Charter." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company and Subsidiaries' "Management Procedures for Lending to Others." Resolution: Approved as proposed.	None	None	None
	Proposal: Appointment of Authorized Custodians for Guarantee Seals of the Company and Subsidiaries. Resolution: Approved as proposed.	None	None	None
August 22, 2024 The 2nd Meeting of the 7th Term	Proposal: Approval of the Company's 2024 First Half Consolidated Financial Statements. Resolution: Approved as proposed.	None	None	None
	Proposal: 2024 Cash Capital Increase and Issuance of New Shares. Resolution: Approved as proposed.	None	None	None
	Proposal: Renewal of Credit Facilities for Group Subsidiaries. Resolution: Approved as proposed.	None	None	None
	Proposal: Provision of Guarantee for Group Subsidiaries. Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Authorization Table." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to Subsidiaries' "Internal Control System – Procurement and Payment Cycle." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Employee Stock Buyback and Transfer Procedures." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Information Security Policy." Resolution: Approved as proposed.	None	None	None
November 7, 2024 The 3rd Meeting of the 7th Term	Proposal: Approval of the Company's 2024 Third Quarter Consolidated Financial Statements. Resolution: Approved as proposed.	None	None	None
	Proposal: Approval of the 2025 Internal Audit Plan. Resolution: Approved as proposed.	None	None	None
	Proposal: Approval of Customer Credit Limits. Resolution: Approved as proposed.	None	None	None

Date of Board of Directors Meeting	Proposal content and resolution	Opinions of independent directors	The company's handling of independent directors' opinions	Independent directors hold objections or reservations and have records or written statements
	Proposal: Adoption of the Company's "Regulatory Compliance Management Procedures." Resolution: Approved as proposed.	None	None	None
	Proposal: Adoption of the Company's "Sustainability Report Preparation and Assurance Procedures." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Corporate Governance Best Practices." Resolution: Approved as proposed.	None	None	None
	Proposal: Amendments to the Company's "Related Party Financial and Business Management Procedures." Resolution: Approved as proposed.	None	None	None
	Proposal: Signing a "Securities Law Compliance Advisory Contract" with Underwriters of the Company's Cash Capital Increase and New Share Issuance. Resolution: Approved as proposed.	None	None	None
	Proposal: Adoption of the Company's "Employee Stock Subscription Management Procedures." Resolution: Approved as proposed.	None	None	None
	Proposal: Approval of Manager Stock Subscription Plan. Resolution: Approved as proposed.	None	None	None
	Proposal: Approval of the Company's Sustainability Report. Resolution: Approved as proposed.	None	None	None

(2) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

2. In instances where a director recused himself/herself due to a conflict of interest, please clearly state the director's name, contents of the motion, reason for conflict of interest and actual voting counts:

Date of Board of Directors Meeting	Name of the director	Contents of motion	Reason for conflict of interest	Actual voting counts
2024/3/7	Chen Pen-Yuan	Directors' Remuneration for the Year 2023	The motion is related to the remuneration of the directors themselves	Except for the directors who have avoided the discussion and voting in accordance with the law, the remaining directors present have no objection and passed the proposal.
	Chen Chien-Ming			
	Ho Ping-Hsien			
	Lin An-Hsiu			
	Hsieh Ming-Feng			

Date of Board of Directors Meeting	Name of the director	Contents of motion	Reason for conflict of interest	Actual voting counts
2024/3/7	Black Dragon Assets Limited Representative: Chen Pen-Yuan	Annual bonus distribution plan for the chairman and manager of the company	The motion is related to the chairman themselves	Except for the directors who have avoided the discussion and voting in accordance with the law, the remaining directors present have no objection and passed the proposal.

3. The status of performing self-assessment by the Company's Directors

The Company has passed the "Performance Assessment Measure by the Board of Directors" on March 5, 2020, and expects to commence it on March 7 2024. The expected practices related with assessment pursuant to the Measure are stated as follows.

Cycle of Assessment	Duration	Scope	Method	Item
Once a year	January 1, 2024 to December 31, 2024	Board of Directors	Self-assessment by the Board of Directors	<ol style="list-style-type: none"> 1. The degree engaged in the operation of the Company. 2. Improve the decision-making quality of the Board of Directors. 3. The composition and structure of the Board of Directors. 4. The election and constant advanced program of Director. 5. Internal control.

4. Measures undertaken during the current year and the most recent year in order to strengthen the functions of the Board of Directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment on their implementation: The Company has established the “Regulations Governing Operation of Board of Directors Meetings” as the guidelines for operation of the Board of Directors meetings. Meanwhile, the Company has resolved at the Board of Directors meeting on October 20, 2014 to establish the Audit Committee and Remuneration Committee, and also disclosed its related information on its website and MPOS pursuant to laws to improve information transparency.

(II) Operation of the Audit Committee

The Committee has held 5 (A)(Note1) sessions in 2023, and the attendance of independent directors is specified as following:

Job title	Name	Counts of attendance (B)	Counts of attendance by proxy	Actual attendance rate (%) (B)/(A)	Remark
Independent Director	Lee, Chen-Hung	2	0	100%	Note 2
Independent Director	Chiou, Yyh-Shen	2	0	100%	Note 2
Independent Director	Jong Wen-Ren	4	0	100%	Note 3
Independent Director	Kao, Li-Han	2	0	100%	Note 3
Independent Director	Cheng, Yen-Chuan	2	0	100%	Note 3

Note 1: Before the full board re-election at the shareholders' meeting on June 25, 2024, two meetings were held. After the re-election, two meetings were convened

Note 2: Term expired on 2024/6/24

Note 3: Elected on 2024/6/25

Other notes:

- For resolution(s) passed pursuant to Article 14~5 of the Securities and Exchange Act and any other resolution(s) passed upon approval of more than two-thirds of the whole directors instead of the Audit Committee, please clearly state the meeting date, term, contents of motion and resolution of the Committee, and the Company's handling of the Audit Committee members' opinions:

Audit Committee Meeting Date	Board meeting date	Proposal content and resolution results	The company's handling of the opinions of the audit committee
March 7, 2024 The 12th Meeting of the 4th Term	March 7, 2024 The 12th Meeting of the 6th Term	Proposal: Submission of the Company's 2023 "Internal Control System Statement." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Company's 2023 Business Report and Consolidated Financial Statements. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Loss Compensation and Earnings Distribution Plan for the Company in 2023. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Remuneration for the Company's Certified Public Accountants. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Independence and Competency Evaluation of the Company's Certified Public Accountants. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: The Group Subsidiaries' Application for Additional Bank Credit Lines and Renewal of Credit Contracts. Resolution: Approved as proposed.	All attending directors unanimously approved

Audit Committee Meeting Date	Board meeting date	Proposal content and resolution results	The company's handling of the opinions of the audit committee
		Proposal: Provision of Endorsement Guarantees by the Company for Group Subsidiaries. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: The Company's Investment in North American Subsidiary. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company and Subsidiaries' "Internal Control System - Computerized Information System Cycle." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company and Subsidiaries' "Authorization Limits Table." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company and Subsidiaries' "Procedures for Acquisition or Disposal of Assets." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Procedures for Lending Funds" Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Director Election Procedures," "Code of Ethical Conduct for Listed Companies," "Standard Operating Procedures for Handling Director Requests," and "Internal Material Information Processing and Insider Trading Prevention Procedures." Resolution: Approved as proposed.	All attending directors unanimously approved
May 9, 2024 The 13th Meeting of the 4th Term	May Day 2024 The 13th Meeting of the 6th Term	Proposal: Approval of the Company's 2024 First Quarter Financial Report. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: The Company's Indirect 60% Owned Canadian Grandchild Company, "Green Touch Floors Inc.," Proposed Equity Transfer. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Internal Control System - General Provisions" and "Internal Audit Operating Procedures." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's Subsidiaries' "Internal Control System - Sales and Collection Cycle." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company and Subsidiaries' "Procedures for Lending Funds." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Designation of the Dedicated Custodian for Endorsement and Guarantee Seals of the Company and Subsidiaries. Resolution: Approved as proposed.	All attending directors unanimously approved
August 22, 2024 The 1st Meeting of the 5th Term	August 22, 2024 The 2nd Meeting of the 7th Term	Proposal: Nomination of the Convener and Chairperson for the Company's Fifth Audit Committee. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Company's 2024 First Half Consolidated Financial Statements. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: The Company's 2024 Capital Increase and New Share	All attending

Audit Committee Meeting Date	Board meeting date	Proposal content and resolution results	The company's handling of the opinions of the audit committee
		Issuance Plan. Resolution: Approved as proposed.	directors unanimously approved
		Proposal: The Group Subsidiaries' Bank Credit Line Renewal and Contract Extension. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Provision of Endorsement Guarantees by the Company for Group Subsidiaries. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Authorization Limits Table." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's Subsidiaries' "Internal Control System - Procurement and Payment Cycle." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Procedures for Employee Stock Repurchase and Transfer." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Information Security Policy." Resolution: Approved as proposed.	All attending directors unanimously approved
November 7, 2024 The 2nd Meeting of the 5th Term	November 7, 2024 The 3rd Meeting of the 7th Term	Proposal: Approval of the Company's 2024 Third Quarter Consolidated Financial Statements. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Company's "2025 Operational Plan." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Company's "2025 Internal Audit Plan." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of Customer Credit Limits. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Addition of the Company's "Regulatory Compliance Management Procedures." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Addition of the Company's "Sustainability Report Preparation and Assurance Management Procedures." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Corporate Governance Code of Practice." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Revision of the Company's "Related Party Financial and Business Management Procedures." Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Signing of the "Securities Regulatory Compliance Counseling Agreement" with Underwriting Brokers for the Company's Cash Capital Increase and New Share Issuance. Resolution: Approved as proposed.	All attending directors unanimously approved

Audit Committee Meeting Date	Board meeting date	Proposal content and resolution results	The company's handling of the opinions of the audit committee
		Proposal: Designation of the Dedicated Custodian for Endorsement and Guarantee Seals of the Company and Subsidiaries. Resolution: Approved as proposed.	All attending directors unanimously approved
		Proposal: Approval of the Company's "Sustainability Report." Resolution: Approved as proposed.	All attending directors unanimously approved

2. In instances where an independent director recused himself/herself due to a conflict of interest, please clearly state the independent director's name, contents of the motion, reason for conflict of interest and actual voting counts: None
3. Communication between independent directors and internal auditing officers as well as CPAs on the Company's financial position and business overview, such as items discussed, means of communication and results, etc.:
 - (1) Communication between independent directors and internal audit supervisors and Accountants
 - i. Invite certified public accountants to attend the audit committee at least four times a year, report to the audit committee on the results of the company and its subsidiaries' financial report review and internal control review, and fully communicate whether there are major adjustment entries or legal amendments that have significant impact ; When necessary, hold communication meetings with accountants at any time.
 - ii. In addition to regularly sending audit reports and follow-up reports to independent directors for inspection by the company's internal audit unit, the internal audit supervisor and independent directors will conduct regular meetings at least once a quarter through the audit committee to report on the implementation status of the audit plan and the lack of improvement. And timely reply to directors' questions on various auditing business; in case of major abnormal events, they can convene meetings at any time.
 - iii. Independent directors and certified public accountants communicate on the results of the financial report review and the communication required by relevant laws and regulations, and evaluate and review the independence of the accountants every year.
 - (2) Summary of communication between independent board of directors and Accountants

The communication between independent directors and accountants is good

Audit Committee Meeting Date	Communication focus	Directors' suggestions	Processing execution results
2024/3/7 Audit Committee	Independent directors evaluated and discussed auditors' annual remuneration and the auditors' independence and competence.	None	The annual appointment and evaluation of the auditor were approved by the Audit Committee, and subsequently discussed at the 12th meeting of the 6th Board of Directors held on March 7, 2024.
	Auditors explained key audit matters and audit results of 2023 consolidated financial statements.	None	The 2023 Consolidated Financial Report was approved by the Audit Committee and submitted for discussion at the 12th meeting of the 6th Board of Directors on March 7, 2024.
2024/5/9 Audit Committee	Auditors explained review results of the Q1 2024 financial report.	None	The 2024 First Quarter Consolidated Financial Report was approved by the Audit Committee and submitted for reporting at the 13th meeting of the 6th Board of Directors on May 9, 2024.
2024/8/22 Audit Committee	Auditors explained key audit matters and audit results of the Q2 2024 consolidated financial statements.	None	The 2024 Second Quarter Consolidated Financial Report was approved by the Audit Committee and reported at the 2nd meeting of the 7th Board of Directors on August 22, 2024.
2024/11/7 Audit Committee	Auditors explained review results of the Q3 2024 financial report. Auditors explained the timing, methods, and key audit matters of the 2024 financial report audit.	None	The 2024 Third Quarter Consolidated Financial Report was approved by the Audit Committee and submitted for reporting at the 3rd meeting of the 7th Board of Directors on November 7, 2024. The auditor is requested to provide further explanation of the consolidated financial report at each respective board meeting.

(III) Summary of the communication between the independent board of directors and the audit supervisor.

Date	Communication focus	Director's Recommendation	Processing execution results
2024/3/7 Audit Committee	2023 Q4 Internal Audit Report 2023 Internal Control Self-Assessment Execution Status (Internal Control System Statement)	None	Reported to the Audit Committee and subsequently presented at the 12th meeting of the 6th Board of Directors on March 7, 2024.
2024/5/9 Audit Committee	2024 Q1 Internal Audit Execution Status Report	None	Reported to the Audit Committee and subsequently presented at the 13th meeting of the 6th Board of Directors on May 9, 2024, with no objections from the Independent Directors.
2024/8/22 Meeting Between Independent Directors and Audit Supervisor (Private Session)	2024 Q2 Internal Audit Execution Status Report and Internal Control System Revision Explanation	None	No objections were raised by any Independent Directors.

2024/8/22 Audit Committee	2024 Q2 Internal Audit Execution Status Report	None	Reported to the Audit Committee and subsequently presented at the 2nd meeting of the 7th Board of Directors on August 22, 2024.
2024/11/7 Audit Committee	2024 Q3 Internal Audit Execution Status Report 2024 Audit Plan	None	Reported to the Audit Committee and subsequently presented at the 3rd meeting of the 7th Board of Directors on November 7, 2024.

(IV) Status of corporate governance, deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the “Corporate Governance Best-Practice Principles” as the Company’s basis for operating the corporate governance, and implemented the same strictly.	No material deviation exists.
II. Equity structure and shareholders’ equity (I) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	✓		(I) The Company designates its spokesperson and deputy spokesperson to handle shareholders’ proposals, doubts and disputes, organizes the shareholders’ meetings pursuant to the Company Act and related laws, and establishes the parliamentary rules for shareholders’ meetings to grant the shareholders appropriate powers.	No material deviation exists.
(II) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders?	✓		(II) The Company may control the information about variance in shares held by major shareholders and declare the shareholdings pursuant to laws via the professional shareholders service	

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
			agent.	
(III) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates?	✓		(III) The Company implements effective risk control pursuant to the related regulations governing internal control and internal audit systems.	
(IV) Has the Company established internal policies that prevent insiders from trading securities based on non-public information?	✓		(IV) The Company has established the “Regulations Governing Prevention of Insider Trading” to prevent any misconduct.	
III. Composition and responsibilities of the Board of Directors (I) Has Board of Directors established a diversification policy and a specific management goal, and has it been implemented accordingly?	✓		(I) On June 25, 2024, a full re-election of directors was held at the Annual General Meeting. The current (7th) Board of Directors consists of 9 members. The composition fully considers the company’s operational needs, business model, and development requirements, with a diversity policy in place. Directors include experts in finance and accounting, marketing and management, and industry practices to	No material deviation exists.

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
			support the company's sustainable growth.	
(II) Whether the Company, in addition to establishing the Audit Committee and Remuneration Committee, pursuant to laws, is willing to establish any other functional committees voluntarily?		✓	(II) Except the Audit Committee and Remuneration Committee, the Company doesn't establish any other functional committees. Notwithstanding, the Company does establish the relevant regulations and control mechanism for various operations. In the future, other functional committees will be set up according to needs.	In the future, additional functional committees will be established as needed.
(III) Has the Company established Regulations for Evaluating the Performance of the Board and its Evaluation method, conducted performance evaluation regularly each year, submitted the performance evaluation results to the board and taken the results as a	✓		(III) The Board of Directors adopted the Board Performance Evaluation Procedures on March 5, 2020, conducting annual evaluations through internal self-assessment, individual	No material deviation exists

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
reference for determining the remuneration of individual directors and nomination for re-election?			director self-assessment, and peer review. The evaluation results are used as reference for determining director remuneration. The 2024 evaluation was completed in Q1 2025 and approved at the 5th meeting of the 7th Board on March 12, 2025.	No material deviation exists
(IV) Whether the company has established regular assessment to the external auditors' independence each year.	✓		(IV) As of March 12, 2025, the Company's Board of Directors has passed an assessment of the independence and suitability of the accountants with reference to the Audit Quality Indicators (AQIs). The significant items of the AQIs are summarized below: Component 1: Professionalism: Audit experience, training hours, turnover rate, and professional support. Component 2: Quality Control Indicators: Accountant's Load, Audit Input, EQCR, Review Status, Quality Control Support Capability. Component 3 :Independence: sub-audit service, customer familiarity.	

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
			<p>Component 4 :Supervision: external inspection deficiencies and penalties, the competent authorities to improve the letter.</p> <p>Component 5 :Innovation: Innovative planning or initiatives.</p> <p>The Company evaluates the independence of its certified public accountants with reference to the ROC Statement of Ethics for Certified Public Accountants and auditing standards, etc. The important items are listed in the Appendix.</p>	
IV. Has the TWSE/TPEX listed company established suitable appropriate number of corporate governance personnel, appointed chief corporate governance officer to be in charge of relevant affairs for corporate governance (including but not limited to providing the directors and supervisors with required information to carry out their business, assisting the directors and supervisors on law compliance, handling board meeting and shareholders' meeting related matters in accordance with the law, preparing minutes of board meeting and shareholders' meeting)?	✓		<p>The company has dedicated personnel responsible for corporate governance-related matters, handling matters related to the board of directors and shareholders' meetings, and preparing minutes of the board of directors and shareholders' meetings in accordance with the law. However, the company has not yet designated a director of corporate governance and will be set up in accordance with the company's evaluation of the company's operation and development.</p>	No material deviation exists.
V. Does the Company have	✓		The Company identifies the	No material

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
established a communication channel for the stakeholders (including but not limited to, shareholders, employees, customers and suppliers), set the stakeholder section on the Company's website, and responded to the stakeholders regarding their concerns over corporate social responsibilities?			related stakeholders subject to the degree of dependence between the business administration and internal/external personnel (individuals/juristic persons/groups). The Company has also disclosed the stakeholder section to respond to the questions about stakeholders on the Company's website.	deviation exists.
VI. Does the Company have commissioned a professional shareholders service agent to handle shareholders' meeting affairs?	✓		The company appointed China Trust Commercial Bank, a professional stock agency, to handle stock affairs and shareholders' meetings.	No material deviation exists.
VII. Information disclosure				No material deviation exists.
(I) Whether the Company has established a website that discloses the information about financial position, business overview and corporate governance?	✓		(I) The Company has set up the official website where the investor section is established to update the Company's information from time to time.	No material deviation exists.
(II) Whether the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company's website)?	✓		(II) The Company designates dedicated personnel responsible for collecting and disclosing the corporate information and implements the spokesperson system. The investor conferences will also be posted on the Company's website.	
(III) Whether the Company announce and declare the		✓	(III) The Company announced the Q1,	The company handles the

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
annual financial statement within two months at the end of the accounting year and announce and declare the Q1, Q2 and Q3 financial statement and monthly operational status prior to the deadline in the regulation?			Q2, Q3 and annual financial statement and monthly operation status in advance prior to the regulated deadline. As for annual financial statement, the Company cannot announce it within two months after the end of the accounting year in advance due to the audit schedule of overseas subsidiaries.	financial report announcement and reporting deadlines in accordance with Article 36 of the Securities and Exchange Law of the place where the company is listed.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and maintenance of liability insurance for the Company's directors and supervisors)?	✓		well-being. In addition, when selecting suppliers, the company primarily considers their commitment and performance regarding social responsibility, ensuring compliance with SA8000 system standards. Suppliers' capabilities are assessed based on actual needs, and qualified suppliers are included in the company's approved supplier list. The company requires suppliers to sign a "Supplier Social Responsibility Commitment Letter" and regularly asks them to conduct self-assessments of their social responsibility performance. Furthermore, the company has established multiple communication channels for stakeholders to reduce or avoid potential	No material deviation exists.

Items	Status of operation (Note)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary(Note)	
			operational risks. Directors continuously pursue further education annually to strengthen the board's functions. The company has purchased liability insurance for its directors, supervisors, and key personnel, with renewal information reported to the Board of Directors on May 9, 2024, aiming to enhance corporate governance operations.	
IX. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies.	✓		The Company has established the "Corporate Governance Best-Practice Principles", "Ethical Corporate Management Best-Practice Principles" and "Corporate Social Responsibility Best-Practice Principles", and participated in the corporate governance evaluation for the first time in 2017. The Company sets its improvement plan based on the self-audit report on corporate governance, in hopes of practicing the spirit of corporate governance to the enterprise's culture.	No material deviation exists.

Note: Accountant's Independence Assessment

Assessment Item	Assessment results	Is there independence
1. The appointed accountant has no significant financial interest in the company or related companies.	Yes	Yes
2. Appoint an accountant to avoid any inappropriate relationship with the company or related companies.	Yes	Yes
3. The appointment of accountants should ensure that their assistants observe integrity, impartiality and independence.	Yes	Yes
4. The appointed accountant currently or within the last two years has not served as a director, supervisor or manager of the company or affiliated companies, or has a significant influence on the audit case?	Yes	Yes
5. Has the joint certified public accountant of the joint accounting firm to which the accountant belongs has not served as a director or manager of the company or a position that has a significant influence on the audit case within one year? It is also determined that he will not hold the aforementioned related positions during the future audit period.	Yes	Yes
6. The name of the appointed accountant shall not be used by others.	Yes	Yes
7. The appointed accountant shall not have money borrowing from the company or affiliated companies.	Yes	Yes
8. Appointed accountants shall not concurrently operate other businesses that may lose their independence	Yes	Yes
9. The appointed accountant shall not charge any commission related to the business.	Yes	Yes
10. Appointed accountants shall not concurrently hold regular jobs in the company or affiliated companies, and receive a fixed salary.	Yes	Yes
11. The appointed accountant shall not hold the shares of the company or related enterprises.	Yes	Yes
12. The appointed accountant shall not have a joint investment or benefit-sharing relationship with the company.	Yes	Yes
13. The appointment of an accountant shall not be involved in the management functions of the Company or its affiliates in making decisions	Yes	Yes
14. As of the most recent visa operation, there have been no cases of non-replacement for seven years.	Yes	Yes
15. Complete the visa for the company's financial statements on schedule	Yes	Yes
16. Whether the appointed accountant has made positive recommendations on the company's system and internal control audit.	Yes	Yes
17. Appoint an accountant to update the company's tax and regulatory laws on their own initiative.	Yes	Yes
Note: In addition to self-assessing the independence of certified accountants, the company has also obtained a declaration of independence issued by accountants		

(V) If the company has established a Remuneration Committee, the composition, responsibilities, and operation of the committee shall be disclosed as follows:

1. Information about Remuneration Committee members

Capacity (Note1) Name		Qualifications	Professional qualifications and experience (Note1)	Independence analysis (Note2)	Number of other public companies at which the person concurrently serves as remuneration committee member
Convenor and Independent Director	Chiou, Yyh-Shen(Note 3)	Ph.D. in Marketing, Michigan State University Chairperson and Professor of Dept. of International Business, National Chengchi University	Compliance with the independence scenario , please refer to P.14~P.16 , compliance with the independence scenario °	1	
Independent Director	Lee, Chen-Hung(Note 3)	MBA in National Chengchi University Executive Director of Anyone Fintech LTD,. Managing Director of Global Asset Management	Compliance with the independence scenario , please refer to P.14~P.16 , compliance with the independence scenario °	0	
Convenor and Independent Director	Cheng, Yen-Chuan	Ph.D., Department of Psychology, National Chengchi University. Adjunct associate professor of Department of Counseling, Clinical and Industrial /Organizational Psychology, Ming Chuan University.	Compliance with the independence scenario , please refer to P.14~P.16 , compliance with the independence scenario °	0	
Independent Director	Jong Wen-Ren	Ph.D. in Mechanical Engineering, Cornell University, USA Director, Office of Information Technology, CYCU	Compliance with the independence scenario , please refer to P.14~P.16 , compliance with the independence scenario °	1	
Independent Director	Kao, Li-Han	Ph.D. in National Chiao Tung University of Institute of Management of technology. Associate Professor and Chairperson, Soochow University Department of Accounting.	Compliance with the independence scenario , please refer to P.14~P.16 , compliance with the independence scenario °	2	

Note1 : Please refer to P.14~P.18 about the information about the directors.

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

Note 3: Resigned upon term expiration on June 25, 2024.

2. Remuneration Committee Duties

The Remuneration Committee, with the attention of a good administrator, faithfully performs the following functions and powers set forth in the Rules of Organization and will propose them submitted to the Board of Directors for discussion.

- (1) Periodically review the Constitution of the Remuneration Committee and make suggestions for amendments.
- (2) To establish and regularly review the policies, systems, standards and structures for the annual and long-term performance appraisal and remuneration of directors, supervisors and managers.
- (3) To regularly evaluate the achievement of the performance objectives of the directors, supervisors and managers of the Company and to determine the content and amount of their individual remuneration.

3. Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) The term of office to be served by the current members: From June 25, 2024 to June 24, 2027. The Remuneration Committee has held 4 (A)(Note1) meeting in the most recent year, and the members' qualification and attendance are summarized as follows:

Job title	Name	Counts of attendance (B)	Counts of attendance by proxy	Actual attendance rate (%) (B)/(A)	Remark
Convener	Chiou, Yyh-Shen	2	0	100%	Term expired and resigned on June 25, 2024
Member	Jong Wen-Ren	4	0	100%	Re-elected
Member	Lee, Chen-Hung	2	0	100%	Term expired and resigned on June 25, 2024
Convener	Cheng, Yen-Chuan	2	0	100%	Newly appointed on June 25, 2024
Member	Kao, Li-Han	2	0	100%	Newly appointed on June 25, 2024

Note 1: Before the full board re-election at the shareholders' meeting on June 25, 2024, two meetings were held. After the re-election, two meetings were convened

Other notes:

- I. If the Board of Directors does not adopt or amend the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (if the remuneration approved by the Board of Directors is superior than that suggested by the Remuneration Committee, please specify the deviation and reason): None.
- II. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: None.

Note1 :

- (1) Where any of the Remuneration Committee members may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of the Committee meetings held during each member's term and the counts of the member's actual attendance to the meetings.

(2)Where a reelection may be held for filling the vacancies of the Remuneration Committee members before the end of the fiscal year, please list both the new and the discharged members, and specify if they are the former members, or newly elected, re-elected and the date of the reelection in the “Remark” section. Actual attendance rate (%) was calculated based on the number of the Committee meetings held during each member's term and the counts of the member’s actual attendance to the meetings.

Remuneration Committee Meeting Date	Board meeting date	Proposal content and resolution results	The company's handling of the opinions of the Remuneration Committee
March 7, 2024 The 9th Meeting of the 4th Term	March 7, 2024 The 12th Meeting of the 6th Term	Proposal: The 2023 directors’ remuneration plan of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
		Proposal: The year-end bonus distribution for the Chairman and managers of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
		Proposal: Changes in the senior management of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
May 9, 2024 The 10th Meeting of the 4th Term	May 9, 2024 The 13th Meeting of the 6th Term	Proposal: Changes in the senior management of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
August 22, 2024 The 1st Meeting of the 5th Term	August 22, 2024 The 2nd Meeting of the 7th Term	Proposal: Proposal to nominate the convener and chairperson of the Company’s 5th Remuneration Committee. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
		Proposal: Retirement of a senior manager of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
		Proposal: Changes in senior managers of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
November 7, 2024 The 2nd Meeting of the 5th Term	November 7, 2024 The 3rd Meeting of the 7th Term	Proposal: Proposal to approve the Company’s “Employee Stock Subscription Management Measures.” Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
		Proposal: Proposal to approve the subscription of new shares by managers of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved
		Proposal: Changes in senior managers of the Company. Resolution: <u>Approved as proposed.</u>	All attending directors unanimously approved

(VI) The State of the Company's Promotion of Sustainable Development, Any Variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance :

Items	Status of operation (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)	
I. Has the Company established and promoted a sustainable development governance structure and set up a dedicated (or non-dedicated) unit for the promotion of sustainable development, and has the Board of Directors authorized the senior management to handle relevant issues and does the Board supervise the state of affairs with respect to the preceding?	✓		I. The company's Sustainability Task Force is responsible for driving sustainability governance. Economic, environmental, and social issues arising from business operations are handled by senior management authorized by the board of directors, who regularly report the progress to the board.	No material deviation exists.
II. Whether the Company set up a dedicated (or concurrent) corporate social responsibility promotion unit which is authorized by the board of directors to be managed by the high-level management and reports to the board of directors?	✓		II. The Board of the Company approved "Sustainable Development Best Practice Principles" and has faithfully implemented it. The Company has complied with relevant environmental regulations and relevant international principles, appropriately protected the natural environment and devoted in achieving the objectives for sustainable environment when conducting business activities and internal management. The Company has complied with relevant regulations to protect social welfare and international convention for human rights, such as gender equality, work rights and prohibition against discrimination. The Company will enhance the transparency disclosing corporate social responsibility information.	No material deviation exists.

Items	Status of operation (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)	
III. Environment topic (I) Whether the Company has established the suitable environment management policies and procedures in accordance with its own manufacture features?	✓		(I) The Company's china production base has got the certificate from ISO14001 and the china environment label. The whole production process is in accordance with the environment production regulation ° The company also got the green lable for our product ,it means the whole production process is low-environment risk °	No material deviation exists.
(II) Whether the Company has upgraded the efficiency for all kind of resource and taken the green material into production ?	✓		(II) The Company has put great effort to material usage and energy .The company will take the recycle into the all production process and reduce the waste in process.	
(III) Whether the Company takes a assessment to the current and future potential risk and chance from the climate change?Whether the Company take some actions to face the climate change?	✓		(III) The Company has always reduced the effects to environment and the changes to climate during the production process °	
(IV) Wheter the Company conduct statistics on the emission of greenhouse gas, water consumption volume and the total waste weight in the past two years and developed policies for energy-saving, reduction on greenhouse gas, water		✓	(i) Since 2024, the Company has been conducting greenhouse gas inventories (Scope 1 and Scope 2) at its major production bases, which have not yet been disclosed in the fiscal year 2023 Sustainability Report. At present, the two production plants in China, Dongguan Prolong and Dongguan	

Items	Status of operation (Note 1)		Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)
consumption volume or management of other wastes?			<p>Mei Jer, and the Tainan plant of M.J. International Flooring and Interior Products Inc in Taiwan do not meet the EPA's announcement of 25,000 tons of carbon dioxide emission equivalent per year from the combustion of fossil fuels at the plants.</p> <p>(ii) The production sites of our subsidiaries are not located in ecological conservation areas, and all of them use tap water as a source of water. As for wastewater discharge, all production wastewater is collected and treated in the plant before being discharged, in compliance with the relevant wastewater discharge standards of the local environmental protection authorities. For information on the utilization of water resources, please refer to P.25 of Section 2.2.3 Water Resources of the Company's 2023 Sustainability Report (http://www.mjig.com/ch/investor_detail.php?cat=1&id=854).</p> <p>(iii) The Company follows the environmental protection regulations of the competent authorities in waste disposal, and the waste is entrusted to local qualified removal and treatment companies, and there is no problem of transnational transportation of hazardous waste for disposal. For information on the disposal of waste, please refer to section P.26 of 2.2.4 Waste (http://www.mjig.com/ch/investor_</p>

Items	Status of operation (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)	
			detail) in the Company's 2023 Annual Sustainability Report. .php?cat=1&id=854).	
IV 、 Social Issues				
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) All subsidiaries of the company have established working rules and complete human resource management rules in accordance with relevant laws of local governments to protect the rights and interests of employees. The basic wage, working hours, vacation, pension payment, labor and health insurance payment, occupational disaster compensation, etc. for the hired labors of the Company are complied with relevant regulations.	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacations and other welfares, etc.) and reflected management performances or outcomes on employees' remuneration?	✓		(II) The Company cared about employees' welfare and has stipulated various management regulations and rules, such as salary, promotion, award, vacation, and social insurance, which complied to local regulations. Moreover, the Company provided various subsidies for employees' weddings, funerals, child births, celebrations as well as birthday celebration and travel to actively take actions in caring employees' physical and mental health. (III) The Company valued employees' work environment, safety and health and regularly arranged health examination for employees to take on the responsibility of caring employees' safety and health. (IV) The Company conducts trainings for employees every year to increase competitiveness in their competency.	

Items	Status of operation (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)	
(III) Does the Company provide a safe and healthy working environment for employees and regularly carry out safety and health education for employees?	✓		<p>(V) Marketing and labelling of the products and services of the Company have complied with relevant regulations and principles of the industries. The Company ensured good quality through procurement acceptance and final product inspection procedures. Moreover, the Company stipulated Regulation for Handling Customers' Complaint to maintain a good communication channel with the customers, provide transparent and effective after-sales services on the products to ensure consumers' rights and interests.</p> <p>(VI) The Company evaluated the corresponding suppliers of the Company in accordance with "Procedures Evaluating Suppliers". The contract between the Company and the supplier did not include the articles stating that the Company may terminate or cancel the contract at all times if the supplier violated its corporate social responsibility policy and caused significant impact on the environment and society. However, when signing contract with the suppliers, the Company also requested them to sign "Suppliers' Commitment to Implement Social Responsibilities" and "A Letter from SAF-004 to Interested Parties". In addition, the Company regularly re-evaluates the corresponding suppliers in accordance with the provisions in "Procedures Evaluating Suppliers". If discovered that the suppliers had the aforementioned situations, the Company will not select the suppliers</p>	
(IV) Has the Company developed an effective training program for employees?	✓			
(V)) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer or customer protection and grievance policies?	✓			

Items	Status of operation (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)	
(VI) Has the Company established management policy for suppliers and asked the suppliers to comply with environmental friendly, occupational safety or labor rights and present its implementations?	✓		who do not pay attention to corporate social responsibilities.	
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third party assurance or certification for the reports above?		✓	V. The Company's 2023 Annual Sustainability Report is being issued for the first time in 2024. The Company's 2024 Sustainability Report follows the guidelines of the Global Sustainability Reporting Institute (GSRI). This report has been prepared in accordance with the core options of the GRI Sustainability Reporting Standards issued by GRI, but the overall content and structure of the report has not been completed as of the date of the annual report, and no fiduciary work has been performed on this report.	
VI. If the Company has established the sustainable development principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: None.				
VII. Other important information to facilitate better understanding of the company’s implementation of sustainable development : 1. Pass SA8000 certification: When selecting suppliers, the Company will consider whether the supplier’s social responsibility commitment and performance comply with the standard requirements under the SA8000 system as the first priority. Upon the assessment, the suppliers considered qualified will be included into the Company’s roster of qualified suppliers.				

Items	Status of operation (Note 1)		Deviation and causes of deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary (Note 2)
<p>2. Green manufacturing: Control the reasonable use of source raw materials, energy and other resources, reduce waste and pollutant emissions, strengthen the use of renewable and recoverable resources, and have the emission pollution values of factory machine and equipment comply with the standards, including water, air and noise pollution, etc.. The annual test report would pass the inspection by the competent authority in the country of origin, National Quality Standard Bureau of the PRC.</p> <p>3. Green products: The PVC flooring refers to the product that can be environmental-friendly and recyclable. The research and development orientation about the product also focuses on the three pollution-free environmental friendly products, namely "non-PVC", "green construction materials" and "biodegradable".</p> <p>4. Green certification: In the past years, the Company's factories and products have passed multiple international inspection standards and certification, including ISO 9001, ISO14001, SA8000, EN, BRE, Floor Score, Green Guard ,BV, CSTB and the Green Tag Certificate from Ministry of Interior of the R.O.C., and SGS, CSTB, ASTM, BG and CNS for the products.</p> <p>In conclusion, the Company provides consumers with excellent products, values human rights, cares the society and uses its best efforts to engage in the public welfare.</p>			

(VII) Climate-Related Information for Publicly Listed Companies :

Relevant Climatological Information for TPEx Listed Companies

Item	Implementation position
1. Description on the oversight and governance of climate-related risks and opportunities of the Board and management	<p>1. Since August 2022, the company has been reporting the schedule for greenhouse gas inventory and verification planning to the Board of Directors every quarter in accordance with regulatory requirements.</p> <p>2. The company has established a risk management policy and procedures, with the Board of Directors serving as the highest decision-making body for risk management. To strengthen climate-related risk management, the company has begun planning relevant management systems and reports annually to the Board of Directors on the execution status of climate-related risks.</p>
2. Description on the impact of the risks and opportunities from identified climate risks on the business, strategies and short-term, middle-term and long-term finance of the enterprise	<p>Short-term</p> <p>Regularly assess the impacts of climate change and strengthen our infrastructure, increase insurance coverage within reasonable limits to enhance the strength of financial and business protection, and establish a comprehensive ongoing operations, crisis management, and contingency plan that is regularly reviewed.</p> <p>We will continue to save energy by improving equipment and gradually increase the use of green energy, and plan a low-carbon transformation strategy to cope with the upcoming carbon border tariffs in Europe and the United States. In addition, we design and develop new products that comply with environmental protection and energy-saving regulations and actively seek new business opportunities and development directions from the perspective of environmental awareness and net-zero carbon emissions.</p> <p>Medium to long term</p> <p>According to the results of the greenhouse gas inventory, together with the demand for net-zero carbon emissions, the overall environment, equipment, and renewable energy of the enterprise will be built, which will inevitably lead to the</p>

Item	Implementation position
	<p>investment of more capital and an increase in operating costs. Through the research and development of low-carbon products, we can increase the added value of our products and enhance our gross profit margin. In addition, improving equipment efficiency and optimizing manufacturing processes, and increasing the use of renewable energy through the installation of energy-saving/energy-storage equipment can also meet customer value concepts and increase market competitiveness.</p> <p>To avoid affecting the performance of existing products, we purchase parts for changeover or new product development as close as possible to minimize the impact of transportation on society and the environment, and comply with the policy objectives of environmentally friendly manufacturing processes, recyclable materials, and net-zero emissions in order to meet the expectations of our customers.</p> <p>Constructive communication with the supply chain through supplier evaluation, traceability information, etc. In addition to minimizing damage to the environment and responding to the risk of natural disasters at an early stage, efforts are made to improve the biodiversity of the site as far as practicable.</p>
3. Description on the financial impact of extreme climate event and transformation	<p>The company is highly attentive to the issue of extreme climate change. As society's emphasis on sustainable development continues to grow, the company will allocate more resources towards transformational actions, such as the development of low-carbon/green circular products, the establishment of renewable energy sources, and the enhancement of employees' ESG awareness. These initiatives will inevitably increase operating costs in the short term and impact the financial status. However, management has already implemented risk management practices to mitigate the impact on profitability, ensuring financial stability and the company's steady development.</p>
4. Description on the integration of identification, assessment, and	<p>According to the company's "Risk Management Policy and Procedures," the Risk Management Team, under the guidance of the risk management policy, coordinates with relevant</p>

Item	Implementation position
management procedures of climate risks with the general risk management system	departments to identify internal and external risks faced by the company, including market, operational, environmental, and operational hazards. The team assesses the likelihood and severity of these risks. The Risk Management Team defines the risk levels of climate-related risks, formulates response strategies, and conducts regular rolling monitoring and reviews of risk changes. The team reports to the Board of Directors periodically.
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts should be described.	Our company does not currently use scenario analysis to assess its resilience to climate change.
6. If there is a transformation plan for managing climate-related risks, describe the content of the plan and the metrics and objectives used to identify and manage physical and transformation risks.	Our company currently has no transformation plan to manage climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	Our company currently does not use internal carbon pricing as a planning tool.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the	Our company currently has no climate related targets set.

Item	Implementation position
progress achieved each year should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits or the amount of renewable energy certificates (RECs) offset should be described.	
9. Greenhouse Gas Inventory and Assurance	See section “Greenhouse Gas Inventory and Assurance”

Greenhouse Gas Inventory and Assurance

1-1 Greenhouse Gas Inventory and Assurance for the Most Recent Two Years

1-1-1 Information on greenhouse gas inventory

The most recent two years of greenhouse gas emissions (tons CO₂e), intensity (tons CO₂e per NTD million), and the scope of the data are described.

In 2024, the Company conducted a greenhouse gas inventory for its major production sites (Scope 1 and Scope 2).

The greenhouse gas emissions and intensities for the year 2023 are as follows:

M.J. International Flooring and Interior Products Inc (including the Tainan plant):

Emissions: 4,898.62 metric tons CO₂e

Emission Intensity: 9.19 metric tons CO₂e per NT\$1 million

Dongguan Prolong Plastic Products Co., Ltd.:

Emissions: 6,595.57 metric tons CO₂e

Emission Intensity: 10.78 metric tons CO₂e per NT\$1 million

Dongguan Mei Jer Plastic Products Co., Ltd.:

Emissions: 15,601.06 metric tons CO₂e

Emission Intensity: 11.69 metric tons CO₂e per NT\$1 million

1-1-2 Information of assurance of greenhouse gas

Description of the status of assurance for the two most recent years as of the date of publication of the annual report, including the scope of assurance, assurance organization, assurance criteria, and opinion on assurance.
The Company has not yet conducted any verification process.

(VIII) Fulfillment of ethical corporate management and adoption of related measures

Items	Status of operation (Note 1)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Enactment of ethical corporate management policy and program (I) Does the Company establish ethical management policy approved by the board of directors and express its ethical management policy, measures in its regulations and external documents and do the board of directors and senior management actively implement the commitment to management policy?	✓		(I) The Company has established the “Ethical Corporate Management Best-Practice Principles and “Operating Procedure for Ethical Corporate Management and Guidelines of Conduct”, which were also passed by the Board of Directors.	No material deviation exists.
(II) Does the Company establish risk assessment system for the unethical behaviors, regularly analyze and assess business activities with higher risks of unethical behaviors within its business scope and establish prevention programs against unethical behaviors and cover at least all the acts in Article 7 (2) of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(II) The Company has established the work rules for the its employees, as the guides and regulations to be followed by the employees when engaging in the Company’s operating activities to stop any misconduct.	
(III) Does the Company stipulate operational procedure, code of conduct, violation penalties and complaint systems in the prevention programs against unethical behaviors, implement faithfully and review and revise the aforementioned program regularly?	✓		(III) In order to ensure the fulfillment of ethical management, the Company has established the effective accounting system and internal control system. The internal auditors shall also conduct an audit	

Items	Status of operation (Note 1)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			on the compliance thereof periodically.	
II. Fulfillment of ethical corporate management				No material deviation exists.
(I) Whether the Company assesses a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	✓		(I) The Company has established the assessment procedure with respect to trading customers and suppliers, and both parties' right and obligation would be expressly stated in the contract signed by the Company with the customers and suppliers.	
(II) Has the Company set up a dedicated unit to promote corporate ethical management under the board of directors which reports ethical management policy and prevention programs against unethical behaviors and supervision and implementation situations regularly (at least once a year)?	✓		(II) The Company has its Corporate Governance Department act as the dedicated unit (concurrently engaged in) to promote the corporate ethical management, and report the execution thereof to the Board of Directors periodically.	
(III) Whether the Company has established any policy against conflict of interest, provided adequate channel thereof, and fulfilled the same precisely?	✓		(III) The Company's employees may report any conflict of interest to their immediate supervisors, or to the members of the Chairman Office.	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of integrity management and the internal audit unit has proposed relevant audit plans in accordance with the evaluation results on the risks of the unethical behaviors and audit	✓		(IV) The Company has established its audit plan. The responsible personnel would conduct the audit per the plan. In the case of any special condition, the Company will arrange the special audit.	

Items	Status of operation (Note 1)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
the compliance to the prevention programs against them accordingly or implement the audit by entrusting accountants?				
(V) Whether the Company organizes internal/external education training program for ethical management periodically?	✓		(V) The importance of ethical management would be reported at the Company's management meetings from time to time.	
III. Status of the Company's whistleblowing system (I) Whether the Company has defined a specific whistleblowing and reward system, and established some convenient whistle-blowing channels, and assigned competent dedicated personnel to deal with the situation?	✓		(I) Encourage internal and external personnel to report unethical conduct or misconduct, and according to the circumstances of the whistleblowing cases, award the bonus; if internal personnel have false reports or malicious allegations, they should be disciplined and dismissed if the circumstances are considered serious.	No material deviation exists.
(II) Has the Company set up standard investigation procedures, subsequent measures after the completion of the investigations and a related confidentiality mechanism for the matter being reported?	✓		(II) The intranet set up and published the internal independent whistleblowing mailbox. The personnel dedicated to processing the whistleblowing cases shall keep the whistleblower's identity and contents of accusation in confidence. The dedicated unit shall adopt the following procedures: 1. The whistleblowing cases involving the general employees	

Items	Status of operation (Note 1)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>shall be reported to the department heads. The whistleblowing cases involving directors or senior management shall be reported to the independent directors or Audit Committee.</p> <p>2. The dedicated unit and the supervisors or personnel receiving the report referred to in the preceding subparagraph shall verify the truth immediately. The compliance or other related departments shall provide assistance, if necessary.</p> <p>3. Where the whistleblowing case is proven to be true upon investigation, the Company's related unit will be ordered to review the related internal control system and operating procedures, and provide the corrective actions to stop the same misconduct from arising again.</p> <p>4. The Company's dedicated unit shall report the whistleblowing case, the resolution and followup review and corrective actions to the Board of Directors.</p>	
(III) Whether the Company has adopted any measures to prevent the whistleblowers from being treated inadequately after whistleblowing the case?	✓		(III) The Company undertakes that the whistleblowers will never be treated inadequately because of the whistleblowing case.	

Items	Status of operation (Note 1)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
IV. Enhancing Information Disclosure (I) Whether the Company has disclosed the Ethical Corporate Management Best-Practice Principles and effect of implementation thereof on its website and MOPS?	✓		(I) The Company has disclosed the “Ethical Corporate Management Best-Practice Principles and “Operating Procedure for Ethical Corporate Management and Guidelines of Conduct” on its website.	No material deviation exists.
V. If the Company has established its own ethical corporate management principles in accordance with "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: None.				
VI. Other information material to the understanding of ethical management operation (e.g. discussion of an amendment to the ethical management best practice principles defined by the Company): None.				

(IX) Other information enabling better understanding of the Company’s corporate governance: None.

(X) The following shall be disclosed with the execution of internal control system:

1. Statement of Declaration for Internal Control System

M.J. International Co. Ltd.

Statement of Declaration for Internal Control System

Date: March 12, 2025

The following statement of declaration has been made based on the 2024 self-assessment of the Company's internal control system:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security, etc), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria adopted by the "Regulations" consist of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Procedural control; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. For said sub-elements, please see the "Regulations".
- IV. The Company has adopted said criteria to validate the effectiveness of its internal control system design and execution.
- V. Based on the auditing findings referred to in the preceding paragraph, the design and implementation of the Company's internal control system (including supervision and control over its subsidiaries) on December 31, 2024, including the achievement of operating results and efficiency, reliability of financial statements and compliance with laws, is considered effective and able to provide reasonable assurance on achievement of said objectives.
- VI. The Statement constitutes the summary content of the Company's Annual Report and Prospectus, and shall be disclosed to the public. Any misrepresentation or concealment of said disclosures shall bear the legal liability against violations of Articles 20, 32, 171 and 174 of the Securities and Exchanges Act.
- VII. The Statement was passed unanimously without objection by all 9 Directors present at the directors' meeting dated March 12, 2025.

M.J. International Co. Ltd.
Chairman of Board: Chen Pen-Yuan
President: Wang Chuan-Han

2. The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: none

(XI) Important resolutions of shareholders' meetings and directors' meetings during the most recent year and up to the date of publication of this annual report:

Important resolutions of shareholders' meetings in 2024, and status of implementation thereof:

1. Important resolutions of shareholders' meetings, and status of implementation thereof:

Shareholders' meetings and special shareholders' meetings in 2024

2024.06.25 Shareholders' meeting	<ol style="list-style-type: none"> 1. The Company's 2023 Annual Report on Operations and Consolidated Financial Statements. 2. 2023 Loss appropriation and appropriation of earnings. 3. To amend the "Regulations Governing the Election of Directors" of the Company. 4. Amendments to the Regulations Governing Derivative Transactions by Subsidiaries of the Company. 5. Amendments to the "Regulations Governing the Acquisition or Disposal of Assets" of the Company. 6. Revision of the Company's "Regulations Governing the Operation of Loans of Funds to Others". 7. Re-election of directors (including independent directors) of the Company. 8. Lifting the restriction on new directors' non-competition (to be passed by special resolution).
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(1) Shareholders meeting in 2024:

- i. Motion: The Company's 2023 Annual Report on Operations and Consolidated Financial Statements.

Resolution: The motion was passed upon resolution by the whole present shareholders through voting.

Status of implementation: Completed per the resolution of the shareholders' meeting.

- ii. Motion: 2023 Loss appropriation and appropriation of earnings.

Resolution: The motion was passed upon resolution by the whole present shareholders through voting.

Status of implementation: The appropriation of the fiscal year 2023 earnings has been completed, and the ex-dividend date of August 16, 2024, and the cash dividend payment date of September 1, 2024, have been set as the cash dividend payment date, with a cash dividend of NT\$0.29511919 per share (due to the change in the original dividend allocation rate as a result of the conversion of the Company's second domestic unsecured convertible bonds to common shares, the chairman of the board of directors is hereby authorized to adjust the dividend allocation rate).

Status of implementation: Completed per the resolution of the shareholders' meeting.

- iii. Motion: To amend the "Regulations Governing the Election of Directors" of the Company.

- Resolution: The motion was passed upon resolution by the whole present shareholders through voting
- Status of implementation: Completed per the resolution of the shareholders' meeting.
- iv. Motion: Amendments to the Regulations Governing Derivative Transactions by Subsidiaries of the Company.
- Resolution: The motion was passed upon resolution by the whole present shareholders through voting.
- Status of implementation: Completed per the resolution of the shareholders' meeting.
- v. Motion: Amendments to the "Regulations Governing the Acquisition or Disposal of Assets" of the Company.
- Resolution: The motion was passed upon resolution by the whole present shareholders through voting.
- Status of implementation: Completed per the resolution of the shareholders' meeting.
- vi. Motion: Revision of the Company's "Regulations Governing the Operation of Loans of Funds to Others".
- Resolution: The motion was passed upon resolution by the whole present shareholders through voting.
- Status of implementation: Completed per the resolution of the shareholders' meeting.
- vii. Motion: Re-election of directors (including independent directors) of the Company.
- Status of implementation: Election by shareholders has been completed.
- viii. Motion: Lifting the restriction on new directors' non-competition (to be passed by special resolution).
- Resolution: The motion was passed upon resolution by the whole present shareholders through voting.
- Status of implementation: Completed per the resolution of the shareholders' meeting.

2. Important resolutions of directors' meetings

Dates	Name of Meeting	Motion
2024/5/9	13th Directors Meeting of 6th Term	1. Proposed approval of the first quarter 2024 financial report 2. Proposed transfer of shares of Green Touch Floors Inc., a Canadian subsidiary indirectly owned as to 60% by the Company. 3. Proposed amendments to the Company's "Internal Control System - General Provisions" and "Regulations Governing Internal Audit Operations". 4. Proposed amendment to the "Internal Control System - Sales and Receipt Cycle" of the Company's subsidiaries. 5. Proposed amendments to the "Rules Governing the Conduct of Business of the Board of Directors" and "Rules Governing the Organization of the Audit Committee" of the Company 6. Proposed amendment to the "Regulations Governing the Operation of Loans of Funds to Others" of the Company and its

Dates	Name of Meeting	Motion
		<p>subsidiaries.</p> <p>7. Appointment of a custodian for the Company's and subsidiaries' endorsement and guarantee seals.</p>
2024/6/25	1th Directors Meeting of 7th Term	<p>1. Election of the Chairman of the Seventh Session of the Board of Directors.</p> <p>2. Appointment of Members and Convener of the Fifth Compensation Committee of the Company.</p>
2024/8/22	2th Directors Meeting of 7th Term	<p>1. Proposed approval of the Company's consolidated financial statements for the first half of 2024</p> <p>2. The Company proposes to issue new shares by way of cash capital increase in 2024.</p> <p>3. proposed renewal of credit facilities granted by the Group's subsidiaries to banks</p> <p>4. endorsement and guarantee provided by the Company to group subsidiaries</p> <p>5. Proposed amendments to the Company's "Statement of Approvals</p> <p>6. Proposed amendment to the "Internal Control System - Purchase and Payment Cycle" of the Company's subsidiaries.</p> <p>7. Proposed amendment to the Company's "Regulations for the Buyback of Shares and Transfer of Employees".</p> <p>8. Proposed amendment to the Company's "Information Security Policy".</p>
2024/11/7	3th Directors Meeting of 7th Term	<p>1. Proposed approval of the Company's consolidated financial statements for the third quarter of 2024</p> <p>2. To approve the consolidated financial statements of the Company for the third quarter of 2024.</p> <p>3. Proposed adoption of the Company's "FY2025 Internal Audit Plan".</p> <p>4. Proposed approval of customer credit line case</p> <p>5. Proposed addition to the Company's "Regulations Governing Compliance with Laws and Regulations".</p> <p>6. Proposed addition of the "Regulations Governing the Preparation and Confirmation of Sustainability Reports" of the Company</p> <p>7. Proposed amendments to the Company's Code of Corporate Governance Practices</p> <p>8. Proposed amendments to the Company's "Regulations Governing the Financial Services of Affiliates".</p> <p>9. Proposed execution of the "Securities Compliance Counseling Contract" with the underwriting broker of the Company's cash capital increase issue of new shares</p> <p>10. Proposed adoption of the Company's "Employee Stock Subscription Management Plan".</p> <p>11. to approve the subscription of new shares by the manager of the Company</p> <p>12. proposed adoption of the Company's "sustainability report</p>
2025/2/25	4th Directors Meeting of 7th Term	<p>1. to approve the subscription of new shares by the Manager of the Company</p>

Dates	Name of Meeting	Motion
2025/3/12	5th Directors Meeting of 7th Term	<ol style="list-style-type: none"> 1. To submit the Company's "Statement on Internal Control System" for fiscal year 2024. 2. Proposed adoption of the Company's 2024 Business Report and Consolidated Financial Statements 3. Cash disbursement from the Company's capital surplus 4. Proposal for the distribution of the Company's surplus for fiscal year 2024 5. Employee and Director Compensation for the year 2024 of the Company 6. Year-end bonuses to the Chairman and managers of the Company 7. To approve the compensation of the Company's certified public accountants. 8. proposed approval of the independence and suitability assessment of the Company's certified public accountants 9. The British Cayman Islands "Declaration of Economic Substantiation" and "Annual Return" cases 10. new lines of credit and renewal of credit facilities granted to banks by subsidiaries of the Company's Group 11. endorsement and guarantee provided by the Company to group subsidiaries 12. Budget of the Company's Thailand subsidiary for new plant investment 13. Capital increase of the Company's subsidiary in Thailand 14. amendment to the memorandum and articles of association of the company 15. The Company intends to cancel the inter-subsidiary loan. 16. Proposed amendments to the Company's "Statement of Approved Authorities 17. Proposed addition to the Company's "Rules for the Management of Sustainable Information". 18. Proposed amendment to the "Regulations Governing the Operation of Loans of Funds to Others" of the Company and its subsidiaries. 19. Proposed amendment to the "Internal Control System - Production Cycle" of the Company's subsidiaries 20. Proposed amendment to the "Internal Control System - Investment Cycle" of the Company's subsidiaries 21. Matters relating to the convening of the 2025 Annual General Meeting of Shareholders
2025/5/7	6th Directors Meeting of 7th Term	<ol style="list-style-type: none"> 1. To approve the Q1 2025 Financial Report. 2. Capital increase of the Company's subsidiaries. 3. Cancellation of subsidiaries of the Company. 4. Identification of Stakeholders and Significant Issues in the Company's 2024 Annual Report on Consolidated Financial Statements. 5. The case of the Company's subsidiary's new internal control system. 6. Amendment to the agenda and reasons for convening the 2025 Annual General Meeting of Shareholders.

- (XII) The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of this annual report:

At the 2th Directors Meeting of 7th Term (2024/8/22), Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account (represented by Lee Kin-Tsau) to express a dissenting opinion on the Company's proposed 2024 cash capital increase and issuance of new shares

V. Information about Independent Auditor Fees:

(I) Information about Independent Auditor Fees

Name of CPA Firm	Name of CPA		Audit period	Audit fees	Non-audit fees(Note)	Total	Remark
Deloitte Taiwan	Chen Chiang-Shiun	Chen Chao-Mei	2024.01.01~2024.12.31	5,120	700	5,820	Non-audit fees include transfer pricing and mater report

- (II) When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed: N/A.
- (III) In the case of change of CPA firm and the audit fees for the year of the change less than that of the previous year, please disclose the amount of audit fees before and after the change, and reasons of the change: N/A.
- (IV) In the case of any reduction in audit fees by more than 15% compared to the previous year, please disclose the amount, the percentage and reason of such variation: N/A.

VI. Information about replacement of CPA: N/A.

VII. Name of the CPA firm or its affiliates at which the Company's Chairman, President, or managers responsible for financial or accounting matters was an employee over the past year: None.

VIII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent in the most recent year and until the date of publication of the annual report:

(I) Change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent:

Job title	Name	2024		Ended on 2025 April 27	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Number of Shares Held Increase (decrease)	Number of Pledged Shares Increase (decrease)
Chairman	Black Dragon Assets Limited Representative: Chen, Ben Yuan	-	-	1,759,899	-
Director	Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Lee, Kin-Tsau (Reassigned on 2024/8/21)	-	-	-	-
Director	Lin, An-Hsiu	-	-	197,507	-
Director	Hsieh Ming-Feng (Term expires on 2024/6/25)	-	-	-	-
Director	ACCORD SKY INVESTMENTS CO., LTD. (Take office: 2024/6/25) Representative: Chen, I-Hsiu	-	-	1,043,510	-
Director	Success Reveal Holdings Limited (Take office: 2024/6/25) Representative: Chen, Chien-Ming	-	-	104,408	-
Director	Infinite Tales Enterprise Limited (Take office: 2024/6/25) Representative: Chen Man-Ling	-	-	135,520	-
Independent Directors	Chiou, Yyh-Shen (Term expires on 2024/6/25)	-	-	-	-
Independent Directors	Jong, Wen-Ren	-	-	-	-
Independent Directors	Lee, Chen-Hung (Term expires on 2024/6/25)	-	-	-	-
Independent Directors	Kao, Li-Han (Take office: 2024/6/25)	-	-	-	-
Independent Directors	Cheng, Yen-Chuan (Take office: 2024/6/25)	-	-	-	-
President	Wang, Chuan-Han	-	-	-	-
Vice President	Li, Liang-You	-	-	-	-
Special Assistant	Ho, Chiang- Chun (Resigned: 2024/7/31) (Take office: 2025/4/1)	-	-	-	-
GM of Business Unit	Chang, Chih-Tai	-	-	-	-
Vice President	Cheng, Po-Jen (Resigned : date: 2024/3/18)	-	-	-	-
Vice President	Lin, Chun-Cheng (Resigned : date: 2024/10/25)	-	-	-	-
Vice President r	Lin, Chih-Hung	-	-	-	-
GM of Business Unit	Chen, Chin-Lung (Take office: 2024/3/19)	-	-	-	-
Vice President	Chen, Chien-Cheng (Take office: 2024/3/20)	-	-	-	-
Vice President	Sung, Yuan-Hsiung (Take office: 2024/8/16)	-	-	15,000	-

Job title	Name	2024		Ended on 2025 April 27	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Number of Shares Held Increase (decrease)	Number of Pledged Shares Increase (decrease)
Accounting officer Financial officer Corporate governance officer	Huang, Yen-Chen	-	-	20,000	-
Vice President	Tung, Ming-Li (Take office: 2025/3/1)	-	-	-	-
Research and Development Supervisor	Liao, Hsuan-Ke (Take office: 2025/4/1)	-	-	-	-

(II) Information about the counterpart in any transfer of the equity who is a related party:None

(III) Information about the counterpart in any pledge of the equity who is a related party:None

IX. Information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, in terms of shareholdings.

April 27, 2025; Unit: shares; %

NAME	Shareholding by one self		Quantity of shares held by their spouses and minor children		Total quantity of shares held under another person's name		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships:		Shareholding by one self
	Quantity of shares	Shareholding %	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	
Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account Representative: Lee Kin-Tsau	7,779,000	9.74	-	-	-	-	-	-	-
Black Dragon Assets Limited Representative: Chen, Pen-Yuan	6,238,299	7.81	-	-	-	-	ALPHA MARVEL CORPORATION	Representative is a spouse	-
							MAGIC VISION DEVELOPMENT LTD.	Represented by First degree relative	
							ACCORD SKY INVESTMENTS CO., LTD.	Represented by First degree relative.	
							Chen, I-Hsiu	First degree relative	-

NAME	Shareholding by one self		Quantity of shares held by their spouses and minor children		Total quantity of shares held under another person's name		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships:		Shareholding by one self
	Quantity of shares	Shareholding %	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	-
Ideal Compass International Limited 思領國際有限公司 Representative: Liu, Chu-Mei	4,881,600	6.12	-	-	-	-	CROWN HARVEST COMPANY LIMITED	Representative is a spouse	-
CROWN HARVEST COMPANY LIMITED Representative: Chen, Chun-Po	4,393,440	5.50	-	-	-	-	Ideal Compass International Limited 思領國際有限公司	Representative is a spouse	-
ACCORD SKY INVESTMENTS CO., LTD. Representative: Chen, I-Hsiu	3,174,710	3.98	-	-	-	-	Black Dragon Assets Limited	Represented by First degree relative	-
							ALPHA MARVEL CORPORATION	Represented by First degree relative	-
							MAGIC VISION DEVELOPMENT LTD..	Represented by second degree relative.	-
							Chen, I-Hsiu	The representative himself/herself	-
MAGIC VISION DEVELOPMENT LTD. Represented by: Chan Chun Chi	3,139,200	3.93	-	-	-	-	Black Dragon Assets Limited	Represented by First degree relative	-
							ALPHA MARVEL CORPORATION	Represented by First degree relative	-
							ACCORD SKY INVESTMENTS CO., LTD.	Represented by second degree relative	-
							Chen, I-Hsiu	second degree relative	-
ALPHA MARVEL CORPORATION Representative: Lo, Fong-Chu	3,119,431	3.91	-	-	-	-	Black Dragon Assets Limited	Representative is a spouse	-
							MAGIC VISION DEVELOPMENT LTD.	Represented by First degree relative	-
							ACCORD SKY INVESTMENTS CO., LTD.	Represented by First degree relative	-

NAME	Shareholding by one self		Quantity of shares held by their spouses and minor children		Total quantity of shares held under another person's name		Disclosure of information on related parties or spousal relationship or relations within second degree of kinship, among top ten shareholders, including their names and relationships:		Shareholding by one self
	Quantity of shares	Shareholding %	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	
							Chen, I-Hsiu	First degree relative	-
Chen, I-Hsiu	2,424,865	3.04	-	-	-	-	Black Dragon Assets Limited	Represented by First degree relative	-
							ALPHA MARVEL CORPORATION	Represented by First degree relative	-
							ACCORD SKY INVESTMENTS CO., LTD.	The representative himself/herself	-
							MAGIC VISION DEVELOPMENT LTD.	Represented by second degree relative	-
Lin, An-Hsiu	1,912,007	2.40	487,899	0.61%	-	-	FLAME POWER ENTERPRISES CORPORATION	Representative is a spouse	-
FLAME POWER ENTERPRISES CORPORATION Representative: Huang, Hsien-Chiao	1,650,493	2.07	-	-	-	-	Lin, An-Hsiu	For the spouse of the representative	-

- X. The shareholdings of the Company, the Company's directors, supervisors, managers, and the business entity directly or indirectly controlled by the Company on the same invested company and also, the consolidated comprehensive shareholding ratio: None.

Three Capital Overview

I. Capital and Stock

(I) Source of Capital

1. Formation of capital stock:

March 31, 2025; Unit: Thousand shares; NT\$ thousand

Month/ Year	Issue Price	Authorized share capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	source of equity	Property other than cash against share capital	Other
2010.10	NTD 10	50,000	500,000	50,000	500,000	Establishment of share capital	-	-
2013.08	NTD 10	150,000	1,500,000	55,500	555,000	Capitalization of surplus	-	-
2013.08	NTD 28.50	150,000	1,500,000	56,019	560,190	Employee bonus to capital increase	-	-
2013.08	USD 0.775	150,000	1,500,000	58,719	587,190	Cash Capital Increase	-	-
2016.10	NTD 82.8	150,000	1,500,000	66,059	660,590	Cash Capital Increase	-	-
2024.06	NTD 10	150,000	1,500,000	66,604	666,041	Unsecured convertible bond conversion	-	-
2024.07	NTD 10	150,000	1,500,000	67,145	671,452	Unsecured convertible bond conversion	-	-
2024.08	NTD 10	150,000	1,500,000	68,237	682,379	Unsecured convertible bond conversion	-	-
2024.09	NTD 10	150,000	1,500,000	69,659	696,600	Unsecured convertible bond conversion	-	-
2024.10	NTD 10	150,000	1,500,000	69,825	698,256	Unsecured convertible bond conversion	-	-
2025.03	NTD 38.7	150,000	1,500,000	79,825	798,256	Cash capital increase (Note 1)	-	-

Note 1: FCS No. 1130368668, dated January 17, 2025

2. Total issued shares

March 31, 2025 Unit: shares

Type of stock	Authorized Share Capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Registered common shares	79,825,600	70,174,400	150,000,000	-

Note: Listed company's stock, and treasury shares are including.

3. Information relevant to the aggregate reporting policy: None.

(II) Name list of major shareholders: List all shareholders with a stake of 5 percent or greater, or the names of the top ten shareholders, specifying the number of shares and stake held by each shareholder on the list.

April 27, 2025 Unit: shares

Name of major shareholder	Shares	Nationality or Place of Registration	Quantity of shares held (shares)	Shareholding (%)
Yuanta Bank as Trustee of Luckmore Investments Limited Investment Account		British Virgin Islands	7,779,000	9.74%
Black Dragon Assets Limited		Samoa	6,238,299	7.81%
Ideal Compass International Limited		Samoa	4,881,600	6.12%
CROWN HARVEST COMPANY LIMITED		Samoa	4,393,440	5.50%
ACCORD SKY INVESTMENTS CO., LTD.		British Virgin Islands	3,174,710	3.98%
MAGIC VISION DEVELOPMENT LTD		British Virgin Islands	3,139,200	3.93%
ALPHA MARVEL CORPORATION		British Virgin Islands	3,119,431	3.91%
Chen I-Hsiu		Taiwan R.O.C.	2,424,865	3.04%
Lin An-Hsiu		Taiwan R.O.C.	1,912,007	2.40%
FLAME POWER ENTERPRISES CORPORATION		British Virgin Islands.	1,650,493	2.07%

(III) Dividend policy and implementation thereof

1. Dividend policy set forth by the Articles of Incorporation

If the Company has earnings at the end of the fiscal year, after paying all relevant taxes in accordance with the law, offsetting losses (including losses from previous years and adjustments to undistributed earnings, if any), and appropriating the statutory legal reserve in accordance with listing (or OTC) regulations (not applicable if the legal reserve has reached the Company's paid-in capital), and then appropriating or reversing the special reserve (if any), the remaining amount (including any reversed special reserve) may, upon the attendance of more than two-thirds of the directors and a resolution passed by a majority of the attending directors, be used to distribute dividends/bonuses to shareholders based on their shareholding ratio. The amount of the distribution shall not be less than 10% of the distributable earnings, plus all or part of the accumulated undistributed earnings from previous years (including adjustments to undistributed earnings), as resolved by an ordinary resolution at the shareholders' meeting. The amount of cash dividends distributed shall not be less than 10% of the total dividends/bonuses distributed on that occasion.

2. Distribution of dividend proposed in the current year

The company's 2024 earnings distribution proposal was approved by the board of directors on March 12, 2025. It proposes a cash distribution of NT\$95,335 thousand from capital reserve, equivalent to NT\$1.2 per share, subject to approval at the 2025 annual general meeting of shareholders.

(IV) The effects of issuance of bonus shares proposed at this shareholders' meeting on the Company's business performance and EPS:

As there is no proposed non-compensated rights issue in this year, this is not applicable.

(V) Remuneration to employees, directors and supervisors

1. The employees' bonus and percentages or ranges with respect to remuneration to directors and supervisors as set forth in the Company's Articles of Incorporation shall follow Article 100 of the Company's Articles of Incorporation referred to in

said paragraph (6).

2. The basis for estimating the amount of remuneration to employees, directors and supervisors, for calculating the number of shares to be distributed as the stock dividend, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

According to the resolution made by the shareholders' meeting subsequently, if there is any discrepancy between the amount allocated actually and the estimated amount of the employees' bonus and remuneration to directors and supervisors, it shall be identified as a change in estimation and stated as the income in 2025.

3. The motion for distribution of remuneration passed by the Board of Directors:

- (1) Remuneration to employees, directors and supervisors allocated in cash or in the form of stock: If there is any discrepancy between that amount and the estimated amount for the fiscal year in which these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

Not applicable, as the motion for distribution of the Company's 2024 earnings has been passed by the directors' meeting on March 12, 2025 and there was no discrepancy from the estimated amount for the fiscal year in which these expenses were recognized.

- (2) Proposed distribution of remuneration to employees in the form of stock as a percentage to net income after tax plus remuneration to employees in the entity or separate financial statement for the current period:

Not applicable, as the motion for distribution of the Company's 2024 earnings has been passed by the directors' meeting on March 12, 2025 and no stock dividend was allocated to employees.

4. The actual distribution of employees', directors' and supervisors' remuneration from the previous year's earnings (including the number of shares distributed, the amount and the price of the shares), and the difference between the amount and the amount of remuneration recognized for the employees, directors and supervisors, as well as the number of differences, the reasons for the differences and the circumstances under which the differences were dealt with: None

(VI) Repurchase of the Company's shares: None

II. Processing status of corporate bonds:

Processing status of corporate bonds

Corporate Bond Type (Note 2)		Second unsecured convertible bonds in the Republic of China (Note 5)
Issue date		July 26, 112
Face value		NT\$100,000
Issuance and listing (Note 3)		Republic of China
Offering rate		NT\$100,000
Total amount		NT\$500,000,000
Coupon rate		0%
Maturity		3 years Due date: 7/26/115
Guarantor		Not applicable
Trustee		Taishin International Commercial Bank Co.
Underwriter		Taishin Consolidated Securities Co.
Legal counsel		Smarting International Law Firm Mr. Yau-Leung Chen
CPA		Deloitte Mr. Chan Chiu Shun, CPA
Repayment		Unless the bonds are converted into common shares of the Company in accordance with Article 13 of the ROC Company Act, redeemed in advance in accordance with Article 21 of the ROC Company Act, or purchased and canceled by the Company from a securities dealer, the Company will repay the bonds in cash at maturity at 101.0025% of the face value of the bonds (0.50% real yield).
Outstanding amount		NT\$500,000,000
Redemption or early repayment clause		Reference to the second unsecured convertible public company in the Republic of China. Bond Issuance and Conversion Regulations
Covenant applicable (Note 4)		None
Credit rating		None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None
	Conversion rights	Reference to the second unsecured convertible public company in the Republic of China. Bond Issuance and Conversion Regulations
Dilution and other effects on existing shareholders		If all of the second unsecured convertible bonds issued in the ROC were converted to common shares at the provisional conversion price after issuance, the maximum dilution ratio of the original shareholders' equity would be 12.54%. Since the conversion price was issued at a premium, if the original shareholders wish to maintain their original shareholding ratio, they can acquire the required shares from the trading market at a relatively lower price, resulting in no actual loss in equity.
Custodian		None

Note 1: The handling of corporate bonds includes public and private corporate bonds in the process. Public company bonds under processing refer to those that have become effective (approved) by the Council; private company bonds under processing refer to those that have been approved by the board of directors.

Note 2: The number of fields is adjusted according to the actual number of transactions.

Note 3: For those who belong to overseas corporate debts.

Note 4: For example, restrictions on the distribution of cash dividends, foreign investment or requirements to maintain a certain proportion of assets, etc.

Note 5: Those belonging to private placements should be marked in a prominent way.

Note 6: For conversion of corporate bonds, exchange of corporate bonds, collective declaration of issuance of corporate bonds or corporate bonds with stock options, the information on conversion of corporate bonds, exchange of corporate bonds, and collective declaration of issuance of corporate bonds should be disclosed in a tabular format according to the nature and Information on corporate bonds with stock options

Convertible bonds

Types of corporate bond (Note 1)		Second unsecured convertible bonds in the ROC	
Year		2024 years	2025 Year ended April 30 (Note 4)
Item			
Market value of convertible bonds (Note 2)	High	132	101.1
	Low	96.1	97.7
	Average	106.23	99.76
Conversion price		50.7	50.4
Issue (Processing) date and issue conversion price		July 26, 112 The conversion price is NT\$52.8 per share.	July 26, 112 The conversion price is NT\$52.8 per share.
Method of fulfillment of the conversion obligation (Note 3)		Issue of new shares	Issue of new shares

Note 1: The number of fields is adjusted according to the actual number of transactions.

Note 2: If there are multiple trading locations for overseas corporate bonds, they are listed separately according to the trading locations.

Note 3: Delivery of issued shares or issuance of new shares.

Note 4: The data for the current year as of the publication date of the annual report should be filled in.

III. Status of preferred stock: None.

IV. Status of overseas depository receipts: None.

V. Status of employee stock options: None.

VI. Status of new restricted stock awards: None.

VII. Status of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of capital utilization plan:

As of the end of the quarter preceding the publication date of this annual report, the contents and execution status of previous public offerings or private placements of securities that are either not yet completed or were completed within the past three years but have not yet yielded the expected benefits are as follows:

(I) Plan Details:

Please refer to the Market Observation Post System (MOPS) > Individual Company > Equity Changes / Securities Issuance > Fundraising > Execution of Fundraising Plans
(URL: https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

(II) Execution Status:

Please refer to the Market Observation Post System (MOPS) > Individual Company > Equity Changes / Securities Issuance > Fundraising > Execution of Fundraising Plans

(URL: https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

Four. Overview of Operations

I. Business Description

(I) Business Scope

1. Scope of business

(1) Principal Business Activities

The Company is a professional manufacturer and distributor of Luxury Vinyl Tile(LVT), LVT flooring. Its core business involves processing plastic raw materials into various styles of sheet-type flooring materials, which are widely applied in residential and commercial construction and interior decoration.

(2) Revenue Contribution by Major Products

Unit: NT\$ thousand

Products	2023(Restated)		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
LVT flooring	2,654,401	100.00	3,861,337	100.00

(3) Current Products and Services

The Company's primary product, LVT flooring in sheet form, is manufactured by blending PVC resin and calcium carbonate to form the middle and bottom layers. These are then laminated with PVC printed and transparent layers through hydraulic pressing or automated machinery. The composite is subsequently coated with a PU coating and cut into sheet flooring materials. LVT flooring offers advantages such as environmental friendliness, dimensional stability, wear resistance, and durability. It is also user-friendly in terms of installation, making it widely adopted not only for residential applications but also for commercial flooring purposes. In recent years, with continuous advancements in production technology, the use of proprietary printing processes has enabled realistic stone and wood grain patterns, resulting in highly diversified product designs. Due to its superior performance, LVT flooring has emerged as a popular new flooring material, significantly outperforming traditional options such as solid wood flooring, laminate flooring, engineered wood flooring, and rubber flooring.

(4) New products (services) planned for development

New products	Notes
Lightweight, Energy-Efficient, and Low-Carbon LSPC Floor Tiles	The lightweight, energy-efficient, and low-carbon LSPC floor tiles are designed to meet market demands for reduced weight and carbon emissions. These tiles are more than 15% lighter per unit area compared to conventional SPC products, resulting in lower transportation costs and improved container loading capacity. Additionally, the product features sound-dampening properties.

(II) Industry Overview

1. Industry Status and Development

(1) Overview of industry

Plastic flooring is identified as one of the more popular flooring materials among the many construction materials. Given the booming economic activities after World War II, the increase in the labor force participation rate resulting in the emerging demand for floor materials which could be maintained conveniently. Accordingly, Carbide and Carbon released the first plastic flooring in the world in 1933. Initially, the stability of plastic flooring was enhanced by asbestos fiber. In 1952, 34 flooring manufacturers originally engaged in the production of asphalt or linoleum carpets used their existing equipment to engage in the production of plastic flooring and opened the opportunity for further development of plastic flooring. In the 1970s, the leading plastic flooring manufacturers, Amtico and Metroflor in the USA, released the wood-look flooring made of plastic materials. In order to enhance the users' orientation and recognition of plastic flooring products, the product was named Luxury Vinyl Tile. Since then, the Luxury Vinyl Tiles (LVT) have gradually become the designation of the sheet plastic flooring.

LVT flooring is primarily made from polyvinyl chloride (PVC), and is generally categorized into three types: homogeneous vinyl flooring, vinyl sheet flooring, and vinyl tile flooring. Although all three types are PVC based, homogeneous vinyl flooring tends to have limited design patterns, making it less adaptable to decorative needs. In contrast, vinyl sheet and tile flooring typically consist of multiple layers, including a transparent wear layer, a printed film layer, and a base layer. These multilayered structures enable a wide variety of designs, making them suitable for both residential and commercial interior applications. Vinyl sheet flooring (commonly referred to as "Vinyl Sheets") is often used in large-scale installations without extensive interior design needs, such as supermarkets or hospitals.

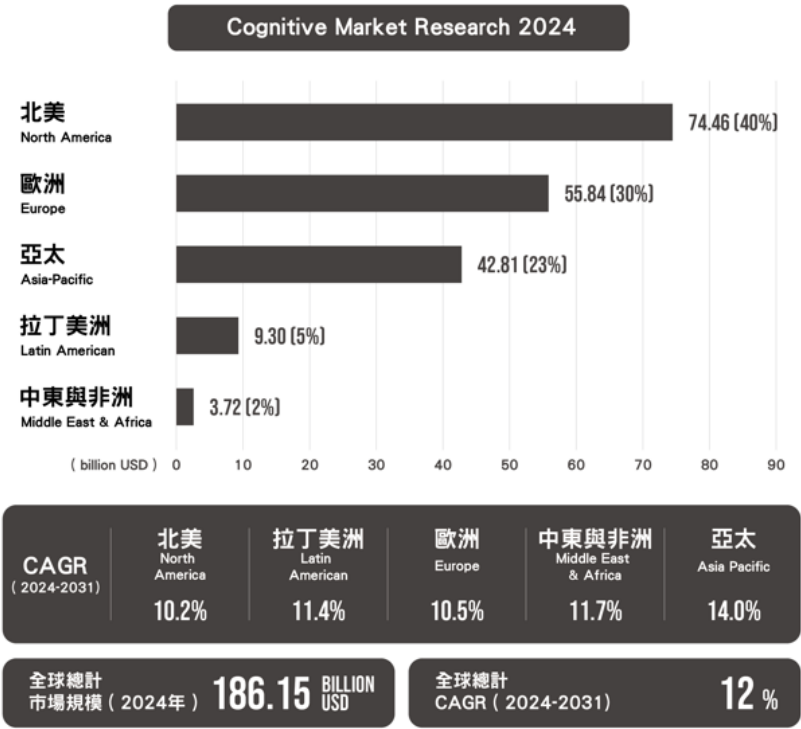
Vinyl tile flooring, by contrast, is frequently used in residential buildings and interiors. Demand in this segment is closely tied to new construction and renovation projects. The residential market places emphasis on visual appeal and ease of installation, while the commercial market prioritizes properties such as wear resistance, scratch resistance, and heat resistance. With continued advances in surface finishing and printing technologies, modern LVT flooring can now offer highly realistic visual effects, including wood grain, marble, and metal finishes. Surface embossing techniques—such as wave texture embossing, matched embossing, and embossed in register (EIR) textures create a tactile and 3D effect. Functional surface coatings, such as abrasion-resistant, scratch resistant, and antiviral layers, can also be added. Additionally, the base layer may incorporate sound absorbing materials to reduce impact noise between floors. These technological improvements have played a significant role in the widespread adoption of LVT flooring in both residential and commercial markets. Given its ease of cleaning, durability, and inherent fire resistance, LVT flooring is increasingly favored for high-safety environments and for renovation projects requiring efficient installation timelines, such as in shopping malls and commercial venues.

In recent years, the flooring industry has seen new developments. In addition to wood plastic composite (WPC) and SPC(Stone Plastic Composite)flooring, which evolved from earlier LVT technologies, growing environmental awareness and sustainability trends have driven manufacturers to innovate more eco-friendly flooring options. These new generation products utilize recycled and renewable materials to reduce reliance on virgin plastics. Manufacturing processes have also been optimized to lower emissions of harmful substances and to enable low or zero VOC (volatile organic compounds) emissions. Furthermore, smart flooring technologies are emerging. These integrate IoT sensors to monitor environmental indicators such as temperature and humidity. Although still in early development, such innovations reflect promising directions for the future of the flooring industry.

(2) Industry Status and Development

i. Current Industry Conditions

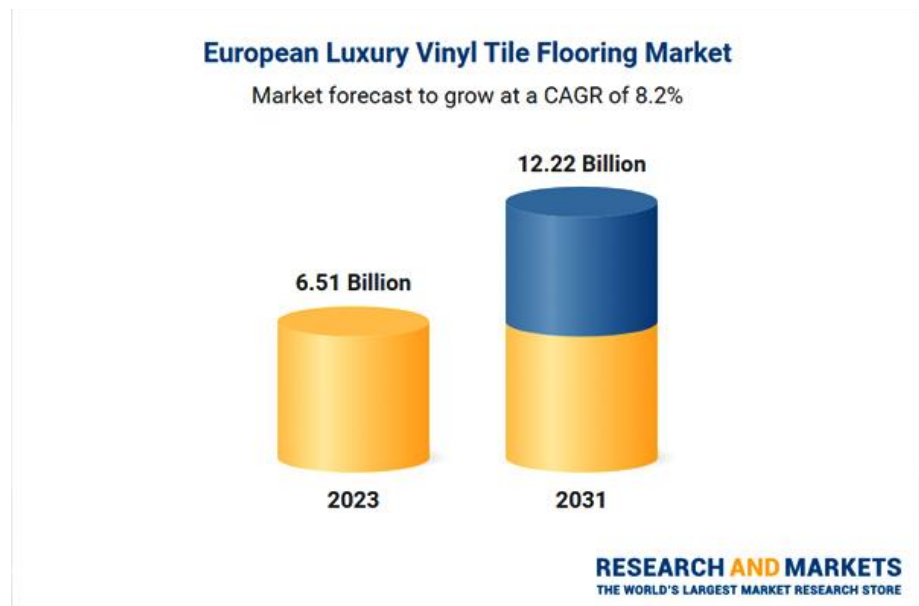
According to a 2024 research report published by Cognitive Market Research, the global vinyl flooring (including SPC flooring) market is estimated to reach USD 18.615 billion in 2024. The market is projected to grow to USD 41.152 billion by 2031, representing a compound annual growth rate (CAGR) of approximately 12%. This indicates sustained and robust global demand for vinyl flooring products.



Source: Cognitive Market Research (2024)

A. European market

According to a 2024 report published by Cognitive Market Research, the European vinyl flooring market is projected to reach USD 5.584 billion in 2024, with a compound annual growth rate (CAGR) of 10.5% from 2024 to 2031. In addition, a 2025 report by Research and Markets estimates that the European market was valued at USD 6.51 billion in 2023 and is expected to grow at a CAGR of 8.2%, reaching USD 12.22 billion by 2031.



Source: Research and Markets

The European flooring market is characterized by its maturity, stability, and strong emphasis on sustainability. Both consumers and regulatory bodies in Europe place high demands on the environmental performance of building materials, which directly shapes product trends in the flooring sector. Overall, while the rate of new construction in Europe remains moderate, there is steady demand for flooring replacement driven by renovation projects particularly in Western European countries, where a significant portion of the building stock is aging and requires modernization. Strict environmental regulations and green building certifications implemented across EU member states mandate the use of low emission, recyclable, and energy efficient materials. As a result, flooring products with low VOC emissions, renewable raw materials, and high recycled content are increasingly favored in the European market. In addition, there is growing interest in functional innovations, such as noise reduction and thermal insulation, to address the needs of high rise residential buildings and apartment complexes in terms of acoustics and energy efficiency. Consumer preference for LVT flooring has been rising significantly in Europe, driven by its durability, ease of maintenance, and aesthetic appeal. LVT flooring replicates the appearance of natural materials such as hardwood and stone while offering superior functional performance, making it an attractive option for style-conscious and practicality-oriented consumers. This combination of design and functionality has led to the increasing adoption of LVT flooring in both residential and commercial applications across the region.

B. North American market

North America, primarily comprising the United States and Canada, represents the largest market for LVT flooring globally. According to a

2024 report published by Cognitive Market Research, the North American vinyl flooring market is valued at USD 7.446 billion in 2024 and is expected to grow at a compound annual growth rate (CAGR) of 10.2% through 2031. Recent trends in the North American flooring market are driven by renovation activities and the adoption of new materials. The United States has a large existing housing stock, and flooring replacement is a common component of home renovation projects. The rise of remote work following the COVID-19 pandemic has also increased consumer demand for aesthetically pleasing and comfortable flooring, further supporting market growth. Although new housing starts surged post-pandemic, a slowdown was observed during 2022~2023 due to rising interest rates. According to preliminary estimates by Market Insights LLC, China remained the largest supplier of LVT products to the U.S. in 2023, accounting for 58% of market share. However, U.S. manufacturers are increasingly diversifying their supply chains to mitigate trade barriers, geopolitical risks, and improve logistics flexibility. Alternative sourcing countries include Vietnam, South Korea, Taiwan, Thailand, India, and Cambodia.

SPC flooring has rapidly gained popularity in North America and has become one of the fastest-growing segments within the flooring industry. In the commercial sector, demand for flooring replacement in offices, retail stores, and healthcare facilities continues to contribute to market expansion. Since its introduction, SPC products have experienced significant growth; however, as market saturation increases, price competition has intensified. In response, major brands such as Shaw, Mannington, Tarkett, and Mohawk are shifting their focus to the development of premium product lines. Some manufacturers are investing in the research and development of hybrid and PVC-free alternatives, incorporating innovative materials such as polymers, minerals, and agricultural waste fillers, alongside environmentally friendly manufacturing processes. Product design and performance are also continuously being enhanced visual realism has improved, a wider range of dimensions is available, and locking systems and structural innovations have made installation easier and improved product durability. These advancements not only enable product differentiation but also enhance profit margins, pushing the SPC/LVT market toward its next stage of evolution.

C. Asia Pacific Market

According to a 2024 report by Cognitive Market Research, the Asia Pacific LVT flooring market is valued at USD 4.281 billion in 2024 and is projected to grow at a CAGR of 14% through 2031. The Asia Pacific market primarily includes Australia, China, India, Japan, South Korea, and other countries within the region. In 2023, China dominated the LVT flooring market in the Asia Pacific region. As both the largest consumer market and a key global production hub, China possesses a comprehensive supply chain and competitive manufacturing advantages.

Emerging markets such as India and Australia are also exhibiting strong growth potential, driven largely by rapid urbanization and a booming construction industry. India's "Housing for All" initiative

mandates the use of cost-effective building materials in new affordable housing projects by 2024, which has led LVT flooring manufacturers to develop economical products with a thickness of 1.2mm. This initiative has helped increase the rural market penetration rate from 6% to 19%. In mature markets such as Japan and South Korea, demand for premium LVT flooring continues to rise steadily, particularly with heightened expectations for environmentally friendly and health conscious materials. In Japan, specific renovation needs have led to a preference for functional thin flooring (1.5mm thickness), while pet-friendly flooring products with high slip resistance have also gained market traction.

Despite recent growth, LVT flooring penetration in the Asia Pacific region remains relatively low compared to developed markets, indicating substantial room for future expansion. In populous countries such as China and India, ongoing urbanization, an expanding middle class, increased consumer awareness, and rising demand for high quality yet affordable flooring solutions are expected to drive continued market growth.

The rapid expansion of the LVT flooring market in the Asia Pacific region has attracted a significant number of new entrants, intensifying market competition. In China in particular, numerous small and medium-sized enterprises focus on producing low-end LVT flooring, leading to product homogeneity and price wars. This has compressed profit margins and hindered the industry's overall healthy development. In response to fierce competition, leading LVT flooring manufacturers are actively investing in functional product innovations to diversify their portfolios and better meet the needs of a broad range of customers.

D. Impact of Trade Policies and Tariffs

The global LVT flooring industry is significantly influenced by international trade policies. Recent developments such as the U.S.-China trade tensions, tariff adjustments across countries, and the emergence of environmental trade regulations such as carbon border taxes are reshaping product circulation, pricing, and cost structures across the industry. Key impacts are summarized below:

U.S.-China trade war and Section 301 tariffs: Since 2018, the U.S.-China trade conflict has led to multiple rounds of tariffs on Chinese imports. Under Section 301 of the U.S. Trade Act of 1974, additional tariffs of up to 25% were imposed on Chinese-made flooring products, including LVT and SPC, starting in September 2018. These tariffs were not extended beyond the expiration of exemptions in August 2020. As a result, the competitiveness of Chinese flooring exports to the U.S. has declined due to increased costs. In response, U.S. importers and retailers have diversified sourcing to other Asian countries such as Vietnam, South

Korea, and Taiwan to mitigate tariff exposure. The trade war has effectively raised market entry barriers for Chinese flooring in the U.S. and has driven the geographical decentralization of production bases. For investors, it is critical to monitor affected companies' supply chain adaptability and their ability to pass on tariff-related costs.

EU Carbon Border Adjustment Mechanism (CBAM): The European Union is gradually implementing CBAM to prevent "carbon leakage" the relocation of carbon-intensive industries to countries with looser environmental regulations and to protect the competitiveness of local industries. Although SPC flooring is not included in the initial CBAM coverage, the mechanism is expected to expand its scope in the coming years. Exporters to the EU may face new requirements for managing the carbon footprint of their supply chains. As a result, SPC flooring manufacturers are increasingly focusing on decarbonization strategies, such as sourcing low-carbon raw materials, improving energy efficiency, and investing in green electricity, to reduce embedded carbon emissions and minimize future carbon tax exposure.

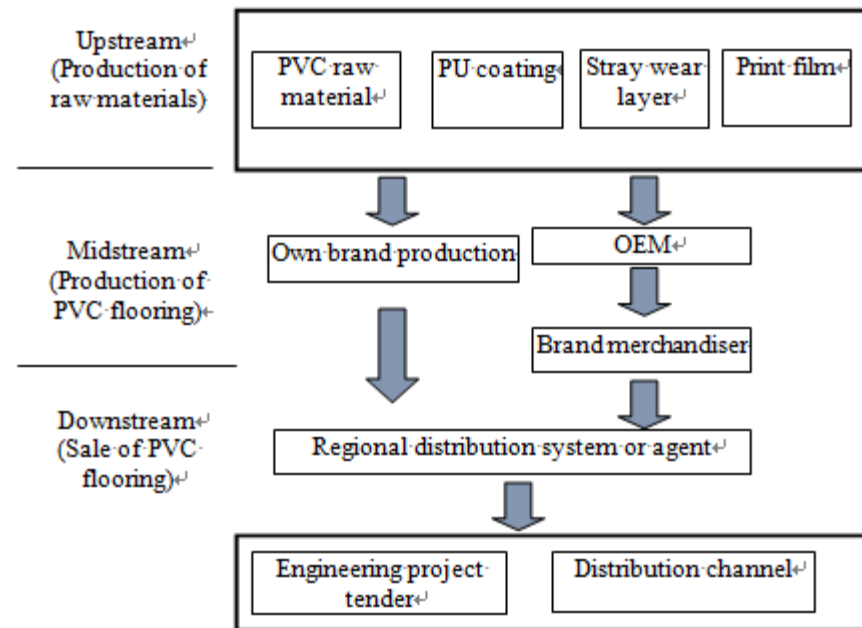
Other international trade considerations: In addition to the above, other trade measures are also affecting the industry. For example, the United States began stricter enforcement of the Uyghur Forced Labor Prevention Act (UFLPA) in 2023, which prohibits the importation of products containing raw materials from Xinjiang. Some Chinese produced SPC flooring has been detained by U.S. Customs under this regulation, prompting further shifts in sourcing to regions such as Taiwan and Thailand. Furthermore, increasingly stringent regulations across multiple countries concerning formaldehyde, plasticizers, and other hazardous substances are creating new technical trade barriers. Manufacturers must adapt rapidly to ensure compliance with evolving standards.

In summary, the international trade environment is becoming increasingly complex, prompting a global reconfiguration of supply chains within the flooring industry. The ability to navigate regulatory compliance and maintain flexible, diversified production networks is becoming a key determinant of long-term resilience. Companies that proactively align with environmental and trade standards and optimize their global sourcing strategies will be better positioned for sustainable growth.

2. Relationship Among the Upstream, Midstream, and Downstream Segments of the Industry

The primary raw materials for sheet-type LVT flooring are various plasticizing materials. Through manufacturing processes such as hydraulic pressing, extrusion, or automatic lamination, these are processed into various styles of sheet-type LVT

flooring. The finished products are installed in residential or commercial construction projects via self-owned brand distribution systems or the marketing channels of brand-name companies:



3. Product Development Trends

(1) Market Share Replacement of Other Flooring Materials in Mature Markets.

With continuous advancements in the production technology of sheet-type SPC flooring, along with increasing product diversity, improved realism through advancements in processes, materials, and printing technology, and advantages such as ease of installation and competitive pricing, the market share of LVT flooring among overall flooring materials is expected to gradually increase.

(2) Development of Emerging Markets

Due to the generally low awareness of LVT flooring in emerging markets and the relatively low overall penetration rate, there will be growth potential if consumer awareness can be effectively raised. As urbanization progresses and the middle class expands, there will be increasing demand for cost-effective flooring solutions, offering SPC flooring opportunities for growth.

(3) Introduction of New Products and Technologies

As a flooring decoration material, in addition to resembling natural wood and stone in appearance, future development of sheet-type LVT flooring will focus on environmentally friendly, human-friendly, low-carbon building materials, use of recycled materials, and special functionalities. There is also active investment in material recycling innovations to reduce reliance on virgin plastics. Examples include lightweight, energy saving LSPC tiles, non-PVC

materials such as PP and PET tiles, antiviral tiles, and tiles made with recycled PVC; installation efficiency is also being improved through click-lock and glue-free products, which are expected to drive sales momentum in mature markets (e.g., Europe and the United States).

LVT flooring is also expected to offer functionalities such as durability/sound insulation and scratch/stain-resistance. As a result, a series of processing technologies have been developed, including reinforced wear layers (to withstand continuous foot traffic and abrasion), natural ultra-matte finishes, special coatings with antibacterial, anti-mildew, and antiviral properties, and the integrated use of materials with enhanced acoustic performance (to reduce impact noise in floor slabs). It is also a key focus for future development.

(4) New Application Dimensions

With advancements in realistic surface texture and embossing technologies that enhance the aesthetic appeal of LVT tiles, their applications are no longer limited to flooring. Some interior design projects have started to apply LVT flooring materials on wall surfaces to enhance overall visual appeal.

In addition, extruded profile decking products for semi-outdoor use have shown strong demand in large commercial and public spaces (such as parks, schools, etc.). This represents a new direction for the Company's future product development.

4. Status of competition

The Company primarily engages in OEM production of LVT flooring, with major sales markets located in Europe and the United States. China and South Korea are currently the key global exporters of LVT flooring. According to a 2024 report by Cognitive Market Research, the global SLVT flooring market is valued at USD 18.6 billion and is expected to maintain a compound annual growth rate (CAGR) of 12% through 2031. The major competitors and their business operations are listed as follows:

Company name	Major production location	Scope of competition	Remarks
ELETILE	China	Private brand in China market OEM of US and European markets	Listed
Shanghai Jinjia Building Material Technology Co., Ltd.	China	OEM of US and European markets	Unlisted
Zhejiang Walrus New Material Co., Ltd.	China	OEM of US and European markets	Listed
China Floors	China	Private brand in China market OEM of US and European markets	Unlisted
Novalis International	China	Private brand in China market OEM of US and European markets	Unlisted
Vertex Group	China	Private brand in China market OEM of US and European markets	Unlisted
Nox Corp.	Korea	OEM of US and European markets	Unlisted

Source: Compiled by the Company

(III) Technology and Research & Development Overview

1. Technology Level and R&D of Business Operations

Since its establishment, the Company has focused on the production of sheet-type LVT flooring. The main raw material for plastic flooring is PVC (polyvinyl chloride), which is prone to expansion and contraction due to temperature changes. According to international standards, the gap between tiles should not exceed 0.25% of the original size. If the physical properties are unstable, significant thermal expansion and contraction caused by weather changes may result in excessive gaps after flooring installation. The Company, with over 40 years of mass production experience, stabilizes physical properties and product consistency through formulation and process adjustments. Our product quality is well recognized by international clients.

M.J. believes that “stable quality is the soul of the product, and innovative R&D is the driving force for growth.” The Company has established an R&D center and a technical department. The R&D center develops new products aligned with market trends and user demands through communication with sales units, customers, and suppliers. The technical department not only supports production units in resolving production line issues but also focuses on process improvements to enhance manufacturing efficiency and reduce costs. It cooperates with the R&D center on new product development by adjusting machine settings to achieve mass production targets.

Looking ahead, technological innovation and sustainable development have become the two main pillars of new product development in the LVT flooring industry. M.J. will continue to strengthen flooring functionalities (wear resistance, scratch resistance, waterproofing, noise reduction), enhance the realistic appearance of natural materials, improve ease of installation, and introduce recycled and circular economy materials. By integrating the expertise of the R&D center and technical department, the Company aims to provide diversified and customized products with stable quality to maintain its international competitiveness.

2. Research and development expenditures invested per year for the most recent years

Unit: NT\$ thousand; %

Item	Year 2023	Year 2024	2025 Q1
R&D expenses (A)	48,547	56,468	12,360
Consolidated operating revenue, net (B)	2,654,401	3,861,337	906,958
(A)/(B)	1.83	1.46	1.36

3. Successfully Developed Technologies or Products

Since its establishment, the Company has placed great emphasis on product research and development. In addition to improving existing production equipment and processes to enhance production efficiency and product quality, the Company has also actively pursued the development of new products. Over the past ten years, the following achievements have been made:

Time	Successfully Developed Technologies or Products
2014	GF fiberglass composite floor/lock-type floor (Note)/paper floor
2015	WPC/PVC composite lock-type floor (Note)/Non-PVC (PP) environmental protection floor/reusable magic sticker floor
2016	Commercial fire-resistant level non-PVC (PP) environmental protection floor Commercial flame-resistant level non-PVC (PP) environmental protection floor (The only one plastic floor product which receives the Green Tag for green construction materials in Taiwan.) Anti-static level non-PVC (PP) environmental protection floor WPC PLUS (commercial level WPC) Plastic floor with carpet looking
2017	Cigarette butt-resistant floor Stain-resistant/scratch-resistant floor
2018	Flame-resistant high-viscosity adhesive wall materials Glue-free anti-slip floor tile Magnetic wall materials Rounded angle floor tile Flexible floor tile SPC floor tile
2019	Anti-contraction Glue-free anti-slip floor tile Lightly SPC lock-type floor
2020	Coffee Grounds Tiles
2021	SPC floor tile with excellent sound insulation improvement (21db)
2022	Rice husk SPC Anti-virus Tiles
2023	Second-Generation Antiviral Tiles Ultra Scratch-Resistant Tiles Antibacterial and Anti-Mold SPC Tiles with Antibacterial Underlayment
2024	Environmentally friendly PET-based floor tiles

(IV) Long-term/short-term business development plan

1. Short-term business development plan:

- (1) Strengthen core technology R&D capabilities to meet OEM customers' demands for new products, improve process efficiency, and maximize production capacity utilization.
- (2) Expand participation in building materials exhibitions and collaborate with designer platforms to grasp market trends and enhance industry recognition. Continuously deepen customer relationships by providing high value-added quality products and one-stop services, achieving a win-win outcome for both the company and customers.
- (3) Develop representative new designs to participate in international design awards, accompanied by targeted promotional content for key markets, effectively increasing media exposure and customer attention.

2. Long-term business development plan:

- (1) Enhance the development of recycled and circular economy materials, focusing on R&D of new materials and high-quality products aimed at being "environmentally friendly, comfortable, and safe," reduce manufacturing costs to achieve price competitiveness, and meet consumer market demands.
- (2) Continue recruiting internationally capable professionals to strengthen the company's core competitiveness, integrate company resources, and actively expand global production and sales bases to scale up operations and market niche.
- (3) Establish a market-oriented content marketing rhythm with the core values of "design-driven, manufacturing integration, and marketing support," deepen the brand value chain, and upgrade from manufacturer to co-creation brand partner.

II. Overview of market and production and marketing

(I) Analysis of market

1. Geographic areas where the main products are sold

Unit: NT\$ thousand; %

Area	Year 2023 (Restated)		Year 2024		2025 Q1	
	Sales	Ratio	Sales	Ratio	Sales	Ratio
Taiwan	178,023	6.71%	164,296	4.25%	35,333	3.90%
Europe	1,666,555	62.78%	1,929,833	49.98%	314,725	34.70%
North America	524,958	19.79%	1,461,032	37.84%	473,179	52.17%
China	104,500	3.94%	111,930	2.90%	19,158	2.11%
Others	180,365	4.08%	194,246	5.03%	64,563	7.12%
Total	2,654,401	100.00%	3,861,337	100.00%	906,958	100.00%

2. Market share

The Company is a professional plastic flooring manufacturer, primarily engaged in the research, development, production, and sales of LVT flooring. Our main sales markets are countries in Europe and North America. Due to the higher environmental and health certification requirements in the European region, the entry

barrier for Asian suppliers into the European OEM market is relatively high. However, the Company has maintained long-term, strong cooperative relationships with European customers and has been recognized by them for product quality, delivery schedules, and various certifications. Recently, our SPC factory investment in Tainan has successfully entered the North American building materials supply chain. With many years of experience in producing sheet-type LVT flooring, the Company is capable of flexible and responsive production capacity adjustments to meet customer demands. According to the global LVT flooring market research report published by Cognitive Market Research in 2024, the global LVT flooring market size reached USD 18.6 billion in 2024. It is estimated that the Company's market share is approximately 0.65%.

3. Future Market Supply and Demand and Growth Potential

The Company mainly operates in the sheet-type LVT flooring market, with the United States and Europe being the primary global consumption markets. With advancements in LVT flooring production technology and the introduction of new products, the market share of LVT flooring is expected to increase effectively. Currently, the market demand for sheet-type LVT flooring is primarily driven by rigid board technology (SPC). SPC flooring contains a higher stone powder content, making its substrate harder and more pressure-resistant, as well as more tolerant to temperature variations. Therefore, it is more suitable for use in high-traffic commercial spaces as well as regular household environments. The U.S. market is projected to grow faster than other major global markets, and SPC flooring will be the key focus of sheet-type LVT flooring development in the coming years. It is also the primary investment focus for most new production lines worldwide and represents the Company's future development direction.

In the future, sheet-type LVT flooring will move towards environmentally friendly materials, low-carbon footprint recycled materials, and more human-friendly materials, such as non-PVC materials like PP and PET flooring, as well as flooring using recycled agricultural waste. Installation convenience will also improve, with products featuring locking mechanisms and glue-free options. Additionally, enhanced functionalities such as wear resistance, scratch resistance, waterproofing, antiviral properties, and high slip resistance will boost sales momentum in mature markets such as Europe and the United States.

4. Competitive Advantages

(1) Superior and Consistent Product Quality

The Company's products not only meet customer certifications but also maintain consistent quality during mass production, which is one of its primary competitive advantages. Since LVT flooring is installed in sheets, any inconsistency in product quality or uneven patterns may be perceived as defects by users, leading to returns or compensation claims. Leveraging over 40 years of mass production experience, the Company stabilizes physical properties and product uniformity through formula and process adjustments. Consequently,

stone-plastic flooring produced in different batches consistently meets international customers' expectations in both quality and appearance.

(2) Comprehensive Production Equipment and Capacity Advantage

The Company operates both soft-core (LVT) and rigid-core (SPC) production lines for sheet-type Plastic flooring. Annual production capacity is 8,959 thousand square feet for LVT and 8,031 thousand square feet for SPC, providing ample capacity to meet customers' bulk purchase demands and supporting business expansion. Additionally, hydraulic lines are suitable for small-batch, diverse products, while automatic laminating and SPC lines are advantageous for large-scale production. By selecting different production processes based on customer orders, the Company reduces manufacturing costs, reflected in competitive pricing, achieving a win-win outcome for both customers and the Company.

(3) Extensive Production Experience and High Automation Level

With over 40 years of deep involvement in the LVT flooring industry, the Company is well positioned to understand industry changes and timely adjust raw material costs and inventory levels while strictly controlling costs. The Company possesses key technologies to improve automation through process enhancements, boosting manufacturing efficiency. Its rich production experience enables quick responses to market changes, further enhancing the competitiveness of its products.

(4) Multiple Certifications Creating Market Entry Barriers

The Company holds multiple certifications, including ISO 9001, ISO 14001, CE (EU Safety Certification), BRE A+ (Green Building Certification), FloorScore (U.S. Indoor Air Quality Standard), GreenGuard (Indoor Chemical Emission Certification), SGS (International Testing Authority), BV (French International Inspection Bureau), CSTB (French Environment and Safety Certification), SA8000, and Taiwan Ministry of the Interior Health Green Building Mark. Due to the emphasis on environmental protection and social responsibility in Europe, the U.S., and other regions, such certifications are often required for products sold there. The Company's multiple certifications not only consolidate existing customer relationships but also raise entry barriers for competitors.

(5) Excellent R&D and Process Improvement Capabilities

Innovation investment is essential for exploring new business opportunities and markets. It must align with global trends and meet domestic and international customer acceptance. Accordingly, the Company has defined its R&D strategic directions:

- i. Material lightweighting (performance enhancement), especially for overseas customers, effectively reducing unit transportation costs and minimizing worker injury risks during handling and installation.
- ii. Increasing product added value (enhanced functionalities), such as wear resistance, scratch resistance, anti-slip, noise reduction, and antibacterial/antiviral properties; strengthening intellectual property layout to enhance new product market recognition and international competitiveness.
- iii. Aligning with circular economy and environmental sustainability trends, continuing R&D toward eco-friendly and sustainable products; deepening corporate environmental values through innovative materials

including recycled materials, agricultural waste utilization, and development of non-PVC products.

(6) Design and Marketing Capabilities

Adopting an "OEM + marketing co-creation" cooperation model, the Company has established a tailored one-stop OEM/ODM marketing design support system based on customer needs. This assists brand owners from product development, naming, material design (catalogs, display boards, packaging), media exposure to channel promotion, forming a sustainable business partnership that facilitates rapid market introduction.

5. Positive and negative factors for future development, and response to such factors

(1) Positive factors

i. Increasing acceptance of plastic flooring by end users

With the advancement of technology and craftsmanship, the sheet-type stone-plastic flooring to overcome the original texture of the messy, outdated patterns, color confusion and other defects, through the aesthetic design and precision craftsmanship, and strict quality control and production management, the existing stone-plastic flooring products become alternative works of art, which overthrow the original cheap, low-end impression of the public, so the end-users of the stone-plastic flooring to acceptance of the degree of increase. And SPC flooring is easy to clean, abrasion-resistant, scratch-resistant, noise-reducing, and fire- and moisture-resistant, making it the preferred choice for commercial and domestic flooring replacement.

ii. Environmental issues are receiving global attention

Global concern for environmental issues is gradually increasing, especially in advanced countries such as Europe and the United States, which emphasize the recycling of resources and the maintenance of ecological balance. To replace the original wood flooring with plastic flooring products, in addition to reducing timber felling, and because of the environmental protection of stone-plastic flooring, does not harm human health characteristics, can be recycled over and over again, in line with the characteristics of green building materials, such as the industry's first to use rice husks as raw materials for environmentally friendly flooring materials, but also the recycling economy, environmental protection, and sustainability of the product paradigm. In the future, sheet-type stone-plastic flooring will be developed towards environmentally friendly materials, recycled materials with a low carbon footprint, and more human-friendly materials, such as non-PVC materials like PP, PET floor tiles.

iii. New product development to expand the scope of product application

The range of applications of sheet-type LVT flooring has expanded from the aesthetically pleasing home market to the commercial market. In recent years, with the successful development of new products and the enhancement of a variety of additional functions, the scope of use of stone-plastic flooring has been effectively expanded, such as dual-purpose tiles for floors and walls, which have extended the scope of use of stone-plastic flooring. In addition, due to technological and technological advances, stone-plastic flooring products have become more colorful, providing designers with more room for development and making the use of plastic flooring more popular. The successful development of new functions, new installation methods (e.g. locking type, glue-free and wall-mounted

products), new materials (PET, PP) or new colors will effectively support the growth of the Company's results..

(2) Negative factors

- i. Other flooring material manufacturers enter the field of LVT flooring production

Other flooring manufacturers, due to the limited room for growth in their existing markets, have crossed over to plastic flooring manufacturing, such as IVC, US Floors, and Mannington, which operate ultra-wear-resistant wood floors, to enter the field of stone-plastic flooring.

Response Measures

We are experienced in production and have obtained many certifications. We maintain good interaction with our existing customers to satisfy their needs and to consolidate the relationship with them; at the same time, we are active in developing new products and attracting potential customers to become our loyal customers with our diversified products, competitive prices, and maintenance of the competitive advantages in production technology and costs.

- ii. Raw material price fluctuations

The Company's major raw materials are refined from petroleum, and the price of raw materials fluctuates with the price of petroleum. The fluctuation of raw material prices has a significant impact on the Company's profitability because the increase of raw material prices will increase the purchasing cost and erode the gross profit, while the decrease of raw material prices will lead to the pressure of price reduction from the customers.

Response Measures

The Company keeps abreast of the market prices of major raw materials, strictly controls inventory levels, and adjusts the safety stock setting in a timely manner based on fluctuations in the prices of raw materials. When the price of major raw materials increases and erodes the Company's gross profit, in order to operate sustainably, the Company's business units negotiate unit prices with customers and adopt the sales policy of increasing unit prices in stages or absorbing part of the cost of raw material increases by the Company and the customers, respectively, so as to minimize the impact of fluctuations in the price of raw materials on the Company's revenues and profitability. When the cost of raw materials decreases, in order to cope with the competition in the market, the Company decides to reduce the price ratio depending on the magnitude of the decrease in raw materials, so as to reward our customers and create a win-win situation for both the Company and our customers.

- iii. The Impact of International Trade Policies and Tariffs

The supply and demand pattern of the global flooring industry is significantly affected by trade policies. In recent years, the trade war between China and the U.S. and the adjustment of tariff policies in various countries have had a certain impact on the distribution and pricing of flooring products. At the same time, new environmental trade rules such as the carbon border tax may also change the cost structure of the industry.

Response Measures

As a technological leader in the sheet-type stone-plastic flooring industry, the Company has the world's top production capacity. The Company will continue to improve its production process, increase production efficiency, and reduce manufacturing costs to provide customers with more competitively priced products, while focusing on production management to maintain high-end quality, create product differentiation, and enhance the Company's competitiveness. The Company has negotiated with its customers on the tariff absorption ratio to mitigate the impact of tariffs on the Company's revenue and profitability, and has conducted planning for production regions outside of China to maintain the resilience of its supply chain.

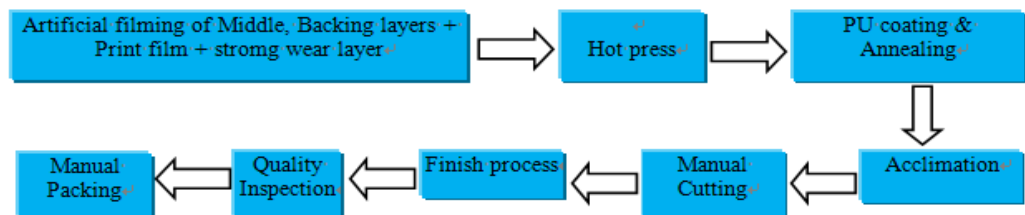
(IV) Important purpose and production processes for main products

1. Important purpose of main products

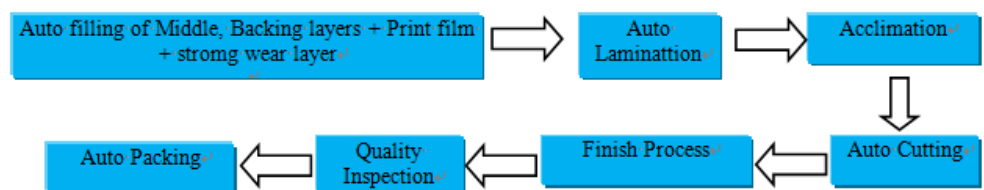
By Product	Notes to purpose
Luxury Vinyl Tile	The flooring materials applied to construction or decoration.

2. Production processes for main products

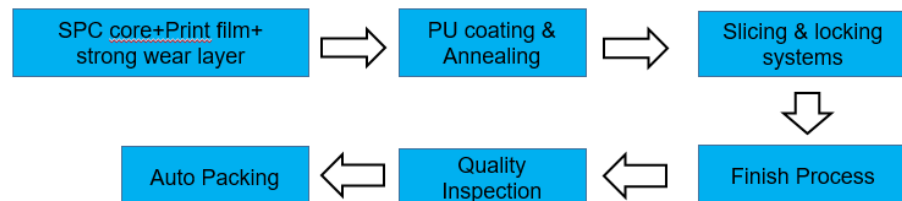
(1) Hot Press



(2) Automatic lamination



(3) SPC



(V) Supply of major raw materials

Our company produces sheet-type LVT flooring, and the raw materials we purchase are mainly PVC powder, stone powder, PVC transparent material, PVC printing fabrics, processing aids, hot melt adhesive, mute pads, and carton packaging materials, etc. We have more than two suppliers for the main raw materials to increase the mobility of the supply sources. We have more than two

suppliers for the major raw materials to increase the mobility of the supply sources. Up to now, the payment status to the suppliers is normal good, the purchasing department is responsible for maintaining the supplier relationship on weekdays, and the supply status of the major raw materials is normal, and there is no interruption of supply.

(VI) List of major import and export customers

1. The names of suppliers that accounted for 10% or more of total purchases in any of the two most recent fiscal years, the amount and percentage of purchases, and the reasons for any changes in such purchases.

Item	Year 20223				Year 2024				2025Q1			
	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer
1	GUANGDONG XIONGXING STAR	271,479	19.71	None	GUANGDONG XIONGXING STAR	388,982	18.32	None	GUANGDONG XIONGXING STAR	71,520	17.00	None
2	Shenzhen Chengyufeng	186,332	13.53	None	Formosa Plastics Group	200,069	9.42	None	Formosa Plastics Group	62,232	14.79	None
3	Jiangsu Dali	129,315	9.39	None	Shenzhen Chengyufeng	192,711	9.07	None	Shenzhen Chengyufeng	37,926	9.01	None
	Other	790,068	57.37	-	Other	1,341,925	63.19	-	Other	249,101	59.20	-
	Net procurement amount	1,377,194	100.00	-	Net Imports	2,123,687	100.00	-	Net Imports	420,779	100.00	-

Analysis on changes

The 2024 amount is higher than the 2023 amount due to increased usage in 2024 and a higher unit price than in 2023.

2. The names of customers that accounted for 10% or more of total sales in any of the two most recent fiscal years, the amount and percentage of sales, and the reasons for any changes in the amount and percentage of sales, and the reasons for any increases or decreases

Unit: NT\$ thousand

Item	Year 2023 (Restated)				Year 2024				2025 Q1			
	Name	Amount	To the annual net sale amount (%)	Relationship with the issuer	Name	Amount	To the annual net sale amount (%)	Relationship with the issuer	Name	Amount	To the annual net sale amount (%)	Relationship with the issuer
1	Company A	1,762,147	66.39	None	Company A	2,084,867	53.99	None	Company A	369,869	40.78	1,762,147
2	Company B	152,626	5.75	None	Company B	1,031,052	26.70	None	Company B	275,379	30.36	152,626
	Other	739,628	27.86	-	Other	745,418	19.31	-	Other	261,710	28.86	739,628
	Net sale amount	2,654,401	100	-	Sales Net	3,861,337	100	-	Sales Net	906,958	100.00	2,654,401

Analysis on changes:

Consolidated revenue for 2024 was NT\$3,861,337 thousand, compared to 2023's consolidated revenue of NT\$2,654,401 thousand, an annual growth rate of 45.47%. This year's significant growth in revenue was mainly attributable to the continued adjustments in the procurement supply chain of large U.S. mass merchandisers and importers and increased cooperation with non-Chinese supply chains, as well as the gradual increase in

the production capacity of the Tainan plant, which drove the growth of results in the North American market.

III. The number of employees employed for the most recent two years

Unit: Persons

Year		2023	2024	March 15, 2025
Number of employees	Managers	9	8	9
	Production line employees	635	590	551
	General employees	229	291	286
	Total	873	889	846
Average age (years old)		43.50	42.54	43.23
Average service seniority (years)		6.98	6.66	7.08
Academic background	Doctor	0.34%	0.34%	0.35%
	Master	3.09%	2.59%	3.19%
	University/college	23.94%	17.66%	17.97%
	Senior high school	29.10%	26.10%	26.83%
	Senior high school below	43.53%	53.31%	51.66%

IV. Information on Environmental Expenditures

The total amount of losses (including compensation) and penalties incurred due to pollution of the environment for the most recent year and up to the printing date of the annual report, as well as the future countermeasures (including improvement measures) and possible expenditures (including the estimated amount of losses, penalties, and compensation that may be incurred if no countermeasures are taken, and if it is not possible to reasonably estimate the amount of losses, penalties, and compensation, the fact that it is not possible to reasonably estimate the amount of losses, penalties, and compensation, if it is not possible to reasonably estimate the amount of losses, penalties, and compensation, if any):

Our subsidiary, M.J. International Flooring And Interior Products Inc. (hereinafter M.J. International Flooring), was granted a deferred prosecution by the Tainan High Prosecutors Office on April 9, 2025, for violating Article 46 of the Waste Disposal Act, and is required to pay a deferred prosecution fee of NT\$ \$100,000.

Explanation: In 2022, at the beginning of the construction of the Tainan plant of Meizhe International Enterprises, during the filling of the base of the second phase of the feeding room, the Environmental Protection Bureau (EPA) indicated that a member of the public had reported the incident and therefore sent staff to conduct an audit. Meizhe International Corporation immediately appointed a legal vendor to remove the waste and reported the relevant information and improvement report to the Environmental Protection Bureau of the Tainan Municipal Government.

V. Labor relations

(I) The Company's various employee welfare measures, education, training, and retirement systems and their implementation status, as well as labor-management agreements and measures to protect the rights and interests of employees:

1. Various Staff Welfare Measures

The Company and its subsidiaries care about the welfare of their employees and have established various management rules and regulations, such as salaries, promotions, rewards and punishments, vacations, and social insurance, all of which

are in compliance with local laws and regulations. The Company and its subsidiaries provide employees with regular health checkups during the employment period, meal expenses or clean and hygienic meals, dormitories or lodging allowances, subsidies for weddings, funerals, birthdays, and trips, and take positive actions to take care of the physical and mental health of employees.

2. Further Studies and Training

The Company and its subsidiaries emphasize employee training, including pre-employment training, on-the-job training, and subsidies for external training (full subsidies for training assignments). The Company and its subsidiaries have a pragmatic education and training system, and strengthen professional knowledge or skills training in accordance with the development of the functions and career planning of employees of different attributes, in order to improve the quality of the employees and their skill levels.

3. The retirement system and its implementation status

The Company and its subsidiaries have been making monthly contributions to the designated pension accounts in accordance with the laws and regulations of the countries in which they operate in order to take care of their employees after their retirement. In the Republic of China (R.O.C.), effective July 1, 2005, the Company has been contributing no less than 6% of the salaries and wages of the R.O.C.'s employees to the individual accounts of the Bureau of Labor Insurance (BOLI), in accordance with the "Regulations Governing the Contribution to Labor Pension Fund", for the benefit of R.O.C.'s employees. The Company contributes no less than 6% of the employees' monthly salary to the employees' individual accounts at the Bureau of Labor Insurance.

4. Labor-management agreements and measures to protect employees' rights and interests

The Company and its subsidiaries attach great importance to the opinions of employees, actively implement democratic management and openness of factory affairs, and hold employee representative meetings on a regular basis. Employees' opinions can be communicated and coordinated through channels so as to maintain good labor relations, and so far, the Company has not had any major labor disputes.

- (II) List any losses sustained as a result of labor disputes in the most recent two years and until the date of publication of the annual report and disclose an estimate of losses incurred to date or likely to be incurred in the future and countermeasures, or if it is not possible to provide such an estimate, an explanation of the reason why it is not possible: None

VI. Cyber Security Management

- (I) Describe the information security risk management framework, information security policy, specific management programs, and resources invested in information security management:

The Group (the "Company") has formulated an information security policy as the highest guiding principle to strengthen information security management and to ensure the safe operation of information operation-related personnel, data, information systems, equipment and networks from intentional or accidental threats from internal or external sources in accordance with the Guidelines on Information Security Control for Listed and OTC Companies established by the Taiwan Stock Exchange Corporation (the "TSE") and other relevant laws and regulations.

The scope of this policy is the security management of information assets of the Company and all subordinate companies under its control, as well as all employees, contractors, consultants, temporary employees, customers, and third-party personnel involved in the Company's information operations or use of data, shall comply with this policy.

Complete the following management plan in 2024:

1. Information Security Policy Formulation and Evaluation
2. Information Security Organization, Authority and Responsibility
3. Personnel safety management and education and training
4. Information Asset Security Management
5. Management of operational continuity management programs

We continuously evaluate the effectiveness of the implementation and report to the Board of Directors on the status of information security implementation to reflect the relevant laws and regulations, the Company's business and the latest technological development to ensure the appropriateness and effectiveness of the operation. The current management program is:

1. Safe operation and protection of information:

The Company has established an Information Department, which is responsible for the management and maintenance of the Company's information security. It establishes information security incident notification procedures and assigns necessary responsibilities to relevant personnel in order to handle information security incidents promptly and effectively. It establishes system backup facilities and performs necessary data and software backup and backup operations on a regular basis in order to facilitate the prompt resumption of normal operations in the event of a disaster or storage media failure.

2. Network security:

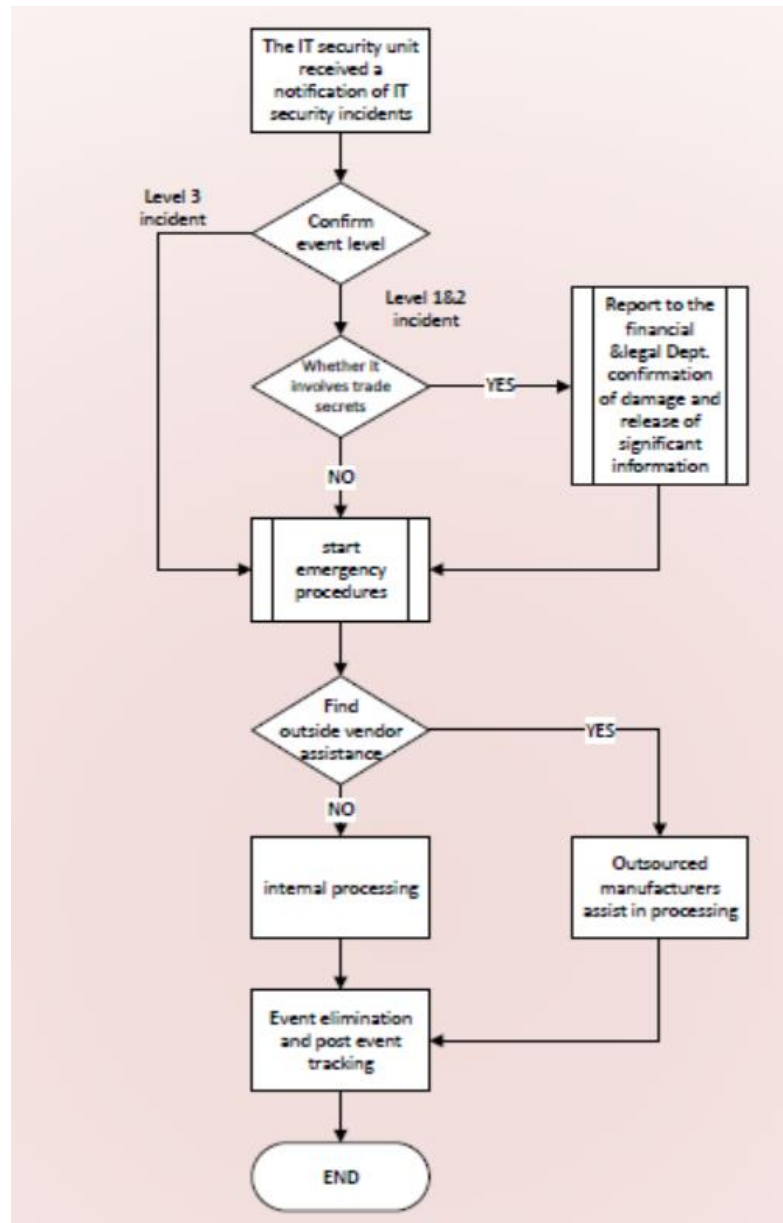
Set up firewalls to control the external network and DMZ (Demilitarized Zone) area to ensure the security of data transmission between the internal and external networks. Regularly check the internal network facilities and anti-virus system, and regularly update the virus code of anti-virus software and various security measures (data backup, spam prevention system code update).

3. System access control management:

When logging in to each operating system, the system administrator of the Information Department sets up accounts and passwords that grant access to the system according to the system access rights necessary for each level of personnel to

perform their tasks, updates the passwords on a regular basis, and installs USB control software to register and control the use of USB devices that can be used by departments for external access, and the Information Department certifies that only the registered storage USB devices can access the data.

Information Security Incident Handling Process:



The Company has set up an information security unit with a dedicated supervisor and a commissioner responsible for the coordination and promotion of information security management issues, and for coordinating and discussing information security policies, plans, and resource deployment. Regular meetings are held to review and improve information construction, security policy, and responsibility allocation, and to assist the audit unit in auditing information security behavior. Depending on the needs of information security management, the information security unit should be designated to be responsible for planning and executing information security work, and the director and personnel in charge of the information security unit should regularly participate in more than 12 hours of information security professional course training or functional training each year and pass the evaluation, and all of them have already obtained the ISO/IEC 27001 auditor certification..

(II) Major information security incidents:

Losses, possible impacts, and countermeasures resulting from significant information security incidents for the last two years and as of the printing date of the annual report, and if they cannot be reasonably estimated, the fact that they cannot be reasonably estimated: none

VII. Important contracts

Name of the contract	Contracting party	Concerned party	Duration of contract	Main contents	Nature of contract
Financial Contracts	OPULENT INTERNATIONAL Branch Office	CTBC Bank (Taipei)	2025/3/31 ~2026/1/31	General Agreement for Omnibus Credit Lines	No
Financial Contracts	M.J. International	CTBC Bank (Taipei)	2025/3/31 ~2026/1/31	General Agreement for Omnibus Credit Lines	No
Financial Contracts	M.J. International	Mega International Commercial Bank	2020/5/7 ~up until now	Letter of Credit	No
Financial Contracts	M.J. International	Mega International Commercial Bank	2020/5/7 ~2032/6/4	Medium to Long Term Credit Agreement	Land Settlement Mortgage
Financial Contracts	M.J. International	Mega International Commercial Bank	2020/5/7 ~2030/12/29 (Machinery) ~2032/7/3 (Buildings)	Medium to Long Term Credit Agreement	1. Compliant with the " Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" loan program. 2.Property/equipment collateralization.
Financial Contracts	M.J. International	Mega International Commercial Bank	2020/5/7 ~2029/6/30	Medium to Long Term Credit Agreement	Land Settlement Mortgage
Financial Contracts	M.J. International	Taipei Fubon Commercial Bank Co., Ltd.(Taipei)	2024/10/18 ~2025/11/05	Master Credit Agreement	No
Financial Contracts	M.J. International	The Shanghai Commercial & Savings Bank, Ltd.	2021/7/16 ~2028/12/15	Letter of Credit	Compliant with the " Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" loan program.
Financial Contracts	OPULENT INTERNATIONAL Branch Office	KGI Bank	2024/7/4~ 2025/7/3	Accounts receivable purchase and financing agreement	No
Financial Contracts	OPULENT INTERNATIONAL / OPULENT INTERNATIONAL Branch Office / M.J. International	KGI Bank	2024/7/4 ~ 2025/7/3	Master Credit Agreement	No
Financial Contracts	M.J. International	E.SUN BANK	2023/11/20 ~ 2029/11/20	Master Credit Agreement	No
Financial Contracts	M.J. International	E.SUN BANK	2024/9/3 ~ 2025/9/3	Master Credit Agreement	No
Sales Contract	M.J. International Flooring And Interior Products Inc.	Company K	2005/2/20 ~The parties agree to terminate	OEM of PVC floor	Confidentiality
Sales Contract	M.J. International Flooring And Interior Products Inc.	Company E	2011 ~The parties agree to terminate	OEM of PVC floor	Confidentiality
Sales Contract	M.J. International Flooring And Interior Products Inc.	Company I	2024/9 ~2027/9	OEM of PVC floor	Confidentiality
Sales Contract	M.J. International Flooring And Interior Products Inc.	Star Sincere Limited	2025/01/01 ~2025/12/31	OEM Supply Contracts	No
Sales Contract	M.J. International Flooring And Interior Products Inc.	Fu Ming Co.	2025/01/01 ~2025/12/31	OEM Supply Contracts	No

Name of the contract	Contracting party	Concerned party	Duration of contract	Main contents	Nature of contract
Copyright contract	Dongguan Prolong / Dongguan Mei Jer	Valinge Innovation AB	2013/03/22 ~2057/01/31	Agreement for License of Lock-Type Tiles	Confidentiality
Copyright contract	Dongguan Prolong / Dongguan Mei Jer	Valinge Innovation AB	2013/03/22 ~2025/05/01	Agreement for License of Lock-Type Tiles	Confidentiality
Insurance Contracts	M.J. International	Chubb Group	2024/6/1 ~2025/6/1	Directors and Supervisors Liability Insurance	No
Insurance Contracts	Surplus International branch offices	MSIG Mingtai Insurance Company , Ltd.	2024/12/31 ~2025/12/31	Products Trade Credit Insurance	No
Insurance Contracts	M.J. International Flooring And Interior Products Inc.	Taian Insurance Company, Ltd.	2024/10/10 ~2025/10/10	Commercial Fire Insurance	No
Insurance Contracts	M.J. International Flooring And Interior Products Inc.	Shinkong Insurance Company, Ltd.	2024/11/30 ~2025/11/30	Electronic Equipment Comprehensive Insurance	No
Insurance Contracts	M.J. International Flooring And Interior Products Inc.	Tokio Marine Nawa Insurance Co., Ltd.	2024/11/29 ~2025/11/29	Commercial Fire Insurance	No
Insurance Contracts	M.J. International Flooring And Interior Products Inc.	Union Insurance Company	2024/11/29 ~2025/11/29	Public Accident Liability Insurance	No
Insurance Contracts	Chongqing Meizhe	Cathay Century Insurance Co., Ltd.	2025/01/01 ~2025/12/31	Property, plant and equipment	No
Insurance Contracts	Wuhan Mei Che	Cathay Century Insurance Co., Ltd.	2025/01/01 ~2025/12/31	Property, plant and equipment	No
Insurance Contracts	Dongguan Mei Jer.	Ping An Property & Casualty Insurance Company of China , Ltd.	2024/12/27 ~2025/12/26	Property, plant and equipment and inventory insurance	No
Insurance Contracts	Dongguan Prolong	Ping An Property & Casualty Insurance Company of China , Ltd.	2024/12/27 ~2025/12/26	Property, plant and equipment and inventory insurance	No
Insurance Contracts	Shanghai MJ	Cathay Century Insurance Co., Ltd.	2025/01/01 ~2025/12/31	Property, plant and equipment	No
Insurance Contracts	Beijing MJ	Cathay Century Insurance Co., Ltd.	2025/01/01 ~2025/12/31	Property, plant and equipment	No
Insurance Contracts	Shenyang MJ	Cathay Century Insurance Co., Ltd.	2025/01/01 ~2025/12/31	Property, plant and equipment	No
Insurance Contracts	Xi'an MJ	Cathay Century Insurance Co., Ltd.	2025/01/01 ~2025/12/31	Property, plant and equipment	No

Five. Review and Analysis of Financial Condition, Financial Performance, and Risk Factors

I. Financial position

Unit: NT\$ thousand; %

Item \ Year	2024	2023 (Restated)	Variance	
			Amount	%
Current assets	3,028,032	2,501,263	526,769	21.06
Property, plant and equipment	3,120,052	3,246,611	(126,559)	(3.90)
Intangible assets	2,325	2,204	121	5.49
Other assets	461,661	512,979	(51,318)	(10.00)
Total assets	6,612,070	6,263,057	349,013	5.57
Current liabilities	996,002	1,072,366	(76,364)	(7.12)
Non-current liabilities	2,734,944	2,743,185	(8,241)	(0.30)
Total liabilities	3,730,946	3,815,551	(84,605)	(2.22)
Equity attributable to owners of the parent company	2,881,124	2,444,547	436,577	17.86
Common stock	698,256	660,590	37,666	5.70
Capital surplus	1,404,401	1,259,321	145,080	11.52
Retained surplus	781,666	666,185	115,481	17.33
Other equity	18,251	-120,099	138,350	115.20
Treasury stock	-21,450	-21,450	—	—
Non-controlling interests	0	2,959	(2,959)	(100.00)
Total equity	2,881,124	2,447,506	433,618	17.72
The main reasons where the change scale exceeds 20% above and the amount changed reached more than NT\$10 million are stated as follows:				
1. Current assets: Mainly due to increase in accounts receivable.				
2. Other equity: Mainly attributable to the increase in translation differences of foreign operations.				

II. Financial performance

1. Analysis on operating results for the most recent two years:

Unit: NT\$ thousand; %

Item \ Year	2024	2023 (Restated)	Difference	
			Amount	%
Operating income	3,861,337	2,654,401	1,206,936	45.47
Operating Costs	3,215,754	2,211,969	1,003,785	45.38
Gross Profit	645,583	442,432	203,151	45.92
Operating Expenses	447,990	410,700	37,290	9.08
Net operating profit	197,593	31,732	165,861	522.69
Non-operating income and expenses	41,123	16,053	25,070	156.17
Net income before tax	238,716	47,785	190,931	399.56
Income tax expense	98,968	104,149	(5,181)	(4.97)
Net income	132,143	-95,623	227,766	(238.19)

The main reasons where the change scale exceeds 20% above and the amount changed reached more than NT\$10 million are stated as follows:

1. Net operating income (loss) 、Net profit before tax and Current operating profit: Sales decrease, manufacturing expenses increase
2. Operating expenses: Reduction in freight, wages, rental expenses and other expenses.
3. Non-operating revenue and expense: This was increased financial costs.
4. Income tax expenses: Repatriating overseas earnings results in an increase in income tax expenses.
2. Net profit before tax and current operating profit: The decrease in gross profit and non-operating revenue and expense in 2018 resulted in the decrease in both of the net profit before tax and current operating profit.

2. Expected sales volume and the basis thereof, and the possible impact of such changes upon the Company's financial and business affairs, and how the Company plans to respond

For the Company's expected sales volume, the Company sets the annual shipment target based on the previous year's sales performance, the estimation of market demand and customer orders already in place, and also by taking into account such factors as the supply status of major raw materials. Subject to the market demand and changes, the Company will upgrade its market share to increase the profit to be sought by the Company. The Company's business may grow continuously and its financial position is also considered fair.

III. Cash flow

1. The cash flow changes during the most recent year (2024) are analyzed and explained as following:

Unit: NT\$ thousand; %

Item \ Year	2024	2023 (Restated)	Increase (decrease)	
			Amount	%
Net cash inflow (outflow) from operating activities	(92,989)	388,787	(481,776)	(92,989)
Net cash inflow(outflow) from investing activities	(94,075)	(372,502)	278,427	(94,075)
Net cash inflow(outflow) from financing activities	(8,532)	(133,701)	125,169	(8,532)
Analysis of the changes:				
1. OPERATING ACTIVITIES: The decrease in net cash inflow from operating activities was mainly due to the increase in accounts receivable and inventories in fiscal year 2024, among other factors.				
2. INVESTING ACTIVITIES: The decrease in net cash outflows from investing activities was mainly due to the addition of less property, plant and equipment in fiscal year 2024 than in fiscal year 2023.				
3. Financing activities: The decrease in net cash outflow from fund-raising activities was mainly due to the issuance and repayment of corporate bonds in fiscal year 2023, but not in fiscal year 2024.				

2. Corrective measures to be taken in response to illiquidity:

The Company's cash outflows in recent years were mainly due to cash outflows for the purchase of property, plant and equipment. However, in the event of cash flow shortages, the Company will resort to bank borrowings to meet the shortfall. The Company has close relationships with banks and has established good credit terms for financing, and has sufficient working capital at present, so there is no risk of financial liquidity shortfalls or shortage of funds.

3. Liquidity analysis for the coming year (2025):

Unit: NT\$ thousand

Cash balance, beginning (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing and financing activities for the year (3)	Cash balance (1)+(2)+(3)	Corrective measures against projected insufficient cash position	
				Investment plan	Wealth managemen t plan
904,626	(821,095)	704,440	787,971	-	-
Analysis of changes in projected cash flows in 2025:					
(1) Net cash outflow from operating activities:					
In FY2025, we expect orders from customers in Europe to continue to stabilize and grow due to the impact of Trump's tariffs, while orders from customers in the Americas will be viewed conservatively and flexibly in light of policy developments. Net cash flow from operating activities is expected to be lower than last year.					
In addition, in order to strengthen the Group's production competitiveness, the Company is cautiously evaluating the planned investment in the production base in Thailand, and the related plan will be flexibly adjusted according to the U.S. tariff policy on capital expenditures for the new plant, which is expected to result in a negative growth in cash liquidity in the coming year.					

(2) Net cash inflow from investing and financing activities:

A cash capital increase of NT\$387 million was completed in March 2025 to replenish working capital and repay long-term bank loans.

In addition, a capital reduction of a subsidiary in China is planned to inject capital into the Group and increase short-term bank financing to support the operating cycle, the payment of cash dividend for the year 2024 and the provision for bondholders' redemption of CB2 convertible bonds, as well as the capital expenditure plan for the future possibilities.

IV. Material capital expenditures in the most recent year and impact on business/finance:

In view of the decentralization of production capacity and diversification of market planning, the Company purchased land in the Tainan Science and Technology Industrial Park in FY2019 to plan for the production line of SPC stone-plastic floor tiles in the new Tainan plant and the purchase of equipment required for the continuous increase of the automation ratio of the production base in China, which were approved by the board of directors' meeting on May 6, 2021 and May 12, 2022, respectively, and the increase in the projected amount of the new plant construction and the purchase of equipment was estimated to be \$2,318 million, and the chairman was authorized to handle all related matters on behalf of the Company within a budget not exceeding the total amount of the budget. On May 6, 2021 and May 12, 2022, the Board of Directors resolved to increase the estimated amount of the new plant and purchase of machinery and equipment for a total investment of NT\$2,318 million, and authorized the Chairman of the Board of Directors to act on behalf of the Company to handle all related matters within the scope of the total budget. The Company's investment in the new Tainan plant has obtained the qualification of Taiwanese businessman under the "Action Plan for Welcoming Taiwanese Businessmen to Invest in Taiwan", and has been paired with a public bank for a 10-year long-term credit facility, including a 3-year grace period and a 5-year interest subsidy from the National Development Council, and in 2024, the paired public bank will extend the 10-year long-term credit facility for up to 12 years, so the impact of the capital expenditures on the Company's financial operations is not considered material.

On March 12, 2025, the Board of Directors resolved to increase the cash capital of M.J. Technologies (THAILAND) CO., LTD. in Thailand by 337.5 million baht to further decentralize and expand the production base, which will be beneficial to increase the opportunities of ordering from the existing customer base and to develop the business momentum in other regions in the future.

V. Investment strategies, causes for investment gains and losses, and planned improvements for the most recent year and the investment plan for the coming year

1. Investment strategies

The Company's reinvestment policy is in line with the Company's operational needs, and the revenue of its reinvested subsidiaries has shown a steady growth trend due to the support of the European and U.S. markets. Currently, the Company's reinvestment policy and operating procedures follow the "Regulations Governing the Acquisition or Disposal of Assets" and "Regulations Governing the Supervision and Management of Subsidiaries" approved by the board of directors or shareholders' meeting, and operates in accordance with the investment cycle of the internal control system. In addition to complying with the Company's regulations, each reinvested subsidiary also carries out appropriate internal control management in consideration of local laws and regulations and actual operating conditions.

2. Main reasons for profit or loss on reinvestment in the most recent year

Investee	Amount recognized in investment income or loss	Reasons for Profit or Loss	Improvement Plan
M.J. International Flooring And Interior Products Inc.	(290,292)	Mainly due to the increase in administrative expenses as a result of the trial operation of the new plant in Tainan.	—
Prolong International Co., Limited.	113,611	Mainly attributable to equity-method investee's income.	—
Opulent International Group Limited	336,183	Mainly attributable to equity-method investee's income.	—
Fullhouse Investments Limited. (Note 1)	3,852	Mainly attributable to equity-method investee's income.	—
MJ GROUP US INC	(2,734)	Mainly attributable to loss on reinvestment accounted for under the equity method.	—
M.J. TECHNOLOGIES (THAILAND) CO.,LTD.	3	Mainly attributable to equity-method investee's income.	—
Dongguan Prolong Plastic Products Co., Ltd.	32,216	Good operating condition	—
Dongguan Mei Jer Plastic Products Co., Ltd.	81,578	Good operating condition	—
Chongqing M.J. Architecture & Decoration Materials Co., Ltd.	(922)	No profit was available to support operating expenses mainly due to the Group's business reorganization.	—
Beijing M.J. Architecture & Decoration Materials Co., Ltd.	(1,113)	No profit was available to support operating expenses mainly due to the Group's business reorganization.	—
Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	(6,958)	No profit was available to support operating expenses mainly due to the Group's business reorganization.	—
Guangzhou Promax Architecture & Decoration Materials Co., Ltd. (Note 2)	4	Completion of tax write-off and business write-off in February and March 2024, respectively, and completion of liquidation remittance	—
Wuhan M.J. Architecture & Decoration Materials Co., Ltd.	(205)	No profit was available to support operating expenses mainly due to the Group's business reorganization.	—
Xian M.J. Architecture & Decoration Materials Co., Ltd.	(428)	No profit was available to support operating expenses mainly due to the Group's business reorganization.	—
Shenyang M.J. Architecture & Decoration Materials Co., Ltd.	2,949	No profit was available to support operating expenses mainly due to the Group's business reorganization.	—
Green Touch Floors Inc.(Note 3)	(4,577)	The Board of Directors of the Consolidated Company resolved on May 9, 2024 to approve the sale of Green Touch Floors Inc. and to complete the closing on August 1, 2024	—

Note 1: Fullhouse Investments Limited completed the tax cancellation and industrial and commercial cancellation on March 7, 2025..

Note 2: Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. completed the tax and industrial and commercial cancellation in February and March, 2024 respectively.

Note 3: Green Touch Floors Inc. completed the delivery on August 1, 2024.

1. Improvement plans and investment plans for the coming year

The Tainan SPC flagship plant, which was opened in October 2022, has become increasingly stable after two years of construction and production and sales operations. Benefiting from the increase in demand for consumer products in North America, the Tainan plant's revenue will grow significantly in FY2024 compared to FY2023, which will lead to the growth of the Tainan plant's revenue, and it has become the M.J. Group's production center to serve customers in the Americas region.

In view of the continuous expansion of services for North American distributors and agents, we established a U.S. subsidiary in March, 2024, in order to be closer to the U.S. market, and to accelerate the growth of the North American market. Meanwhile, in November 2024, we invested in a subsidiary in Thailand, which is currently planned to become the next important production base and R&D center of M.J. Group.

However, since the beginning of this year, President Trump's tariff policy in the U.S. has caused market turbulence and uncertainty, once again impacting the order of global trade. In the face of this sudden change, the M.J. Group and other enterprises have not only proactively contacted customers and negotiated with them on contingency plans, but have also reviewed their factories and taken measures to reduce costs and increase efficiency, so as to prudently face the new wave of global trade triggered by the Trump administration.

Looking forward to 2025, M.J. will continue to develop the European market and cooperate with its major customers to develop business opportunities for innovative products. Meanwhile, in the U.S. market, we will strategically strengthen the development of differentiated products and enhance customer relationships in response to the changing market conditions, and we will also consider expanding our reach in non-European and U.S. markets in order to capture market opportunities. The comprehensive marketing layout and production base configuration, coupled with product innovation capabilities, are designed to sustain stable growth in this year's turbulent political and economic environment.

VI. Analysis and assessment of risk factors for the most recent year until the date of publication of the annual report

(I) Risk factors

1. Impact of interest rate, exchange rate changes, and inflation on the Company's earnings, and responsive measures:

(1) Interest rate changes

For the Q1, 2024 and 2025, interest income amounted to NT\$38,022 thousand and NT\$8,389 thousand, respectively, and accounted for 0.98% and 0.92% of net operating income, respectively. Interest expense amounted to NT\$59,674 thousand and NT\$14,576 thousand, respectively, and accounted for 1.55% and 1.61% of net operating income, respectively. Interest income and expense accounted for 1.55% and 1.61% of the Company's operating income, respectively. Since interest income and expense do not account for a significant portion of the Company's operating income, changes in interest rates do not have a significant impact on the Company's financial operations. However, the Group will continue to strengthen its communication with banks and closely observe and understand the changes in interest rates in the market, as well as effectively manage interest rate risks by adopting sound financial planning, utilizing a variety of financial tools and selecting the most favorable funding instruments in the capital market.

(2) Exchange rate changes

The Company receives sales revenue mainly in U.S. dollars, and its main production base is in Mainland China. Salaries of employees, certain raw material purchases, and miscellaneous expenditures are paid in Renminbi, which exposes the Company to the risk of changes in the exchange rate of the U.S. dollar against the Renminbi; in addition, after listing in Taiwan, the Company has to exchange the U.S. dollar for U.S. dollars as a result of the payment of dividends in New Taiwan dollars to investors in the Republic of China (R.O.C.) or the acquisition of New Taiwan dollars by fundraising in R.O.C. The Company is exposed to the risk of changes in the exchange rate of the U.S. dollar against the New Taiwan dollar. The Company is exposed to exchange rate fluctuations between the U.S. dollar and the New Taiwan dollar.

The net foreign currency translation (loss) gain from operating activities for the Q1, 2024 and 2025 were \$46,381 thousand and \$10,231 thousand, respectively, representing 1.20% and 1.13% of revenues for each of those years.

The Company has revised the "Regulations Governing Derivative Transactions" to regulate the operation of derivative products in the future based on the principle of risk avoidance. In addition, the measures to address the risk of exchange rate fluctuations arising from future business activities are described below:

- (i) Depending on the degree of exchange rate fluctuations, we coordinate with suppliers to adjust the prices of major raw materials to be denominated in U.S. dollars in order to increase the natural hedging effect.
- (ii) Quotation policy for customers, assessing when the exchange rate fluctuation exceeds a certain range, the business unit immediately responds to the customer and negotiates with the customer to adjust the selling price of the product.
- (iii) Coordinate with customers to shorten the accounts receivable days to reduce the exchange risk arising from the timing of foreign-currency receivables.
- (iv) Open foreign-currency deposit accounts and manage net foreign-currency positions, and have specialists evaluate the Company's capital needs and determine the timing and amount of foreign currency exchange in order to minimize the impact of exchange rate fluctuations on profit or loss and to achieve the natural hedge effect.
- (v) Maintain close contact with the foreign exchange departments of banks and proactively collect market information to fully grasp the possible trend of exchange rates. Depending on the degree of exchange rate fluctuations and the position of foreign currency holdings, the Company decides whether to undertake derivative financial instruments in a timely manner in accordance with the "Regulations Governing the Engagement in Derivative Transactions" to hedge exchange rate risks.

(3) Inflation

Currently, there has not been any significant impact on the Company's profit or loss due to inflation. In the future, the Company will refer to the economic indices and research reports from domestic and overseas economic research institutes and professional investment organizations from time to time for management's reference.

2. Policies on high-risk and highly leveraged investments, financing provided to others, endorsements/guarantees, and derivatives trading, main causes of any profits or losses incurred, and future responsive measures:

The Company refrains from engaging in high-risk and highly leveraged investments. It engages in financing provided to others, endorsements/guarantees and derivatives trading per the policies and responsive measures established under the Company's "Regulations Governing Financing Provided to Others", "Regulations Governing Endorsement/Guarantee" and "Regulations Governing Engagement in Derivatives Trading". In the future, the Company's derivatives trading policy will still remain conservative and stable to evade the risk over substantial foreign exchange fluctuation.

3. Future research and development plans and projected R&D expenses:

Though the Company engages in the traditional industry, it invests in R&D actively in order to maintain its profitability and industrial competitiveness. Its future R&D plan includes the improvement of process and development of new products. The improvement of process aims to upgrade the automation and cut production costs. Further, in order to be in line with the market trend and satisfy different market users' needs, the Company will continue to develop new products.

Following the growth in turnover, the Company will also increase the annual R&D expenses step by step to roughly about 1% net sales to support the future R&D plans and also upgrade the Company's strength in production and industrial competitiveness.

4. Impact on the Company's business/finance due to changes in domestic or foreign important policies and laws, and responsive measures:

The Company is registered in the Cayman Islands, which refer to a country of open economy and free from foreign exchange control. Therefore, the investment environment is stable locally. The Company carries out its operations primarily in the mainland China, Hong Kong and Taiwan, where the political and economic environment is considered stable. The Company engages in production of various products and carries out its operations in accordance with the national policies and laws & regulations of the countries where it is registered and operates. Meanwhile, the Company will keep watching and controlling the development of policies and changes in laws and the impact thereof on the Company, in order to help the Company, take appropriate responsive measures. No material impact on the Company's business/finance due to changes in domestic or foreign important policies and laws has taken place during the most recent year and until the date of publication of the prospectus.

5. Impact on the Company's business/finance due to technological or industrial changes, and responsive measures:

The Company's main business lines refer to the development, production and sale of sheet plastic flooring. The sheet plastic flooring is identified as the product emerging later but growing highly on the flooring industry. The Company is committed to the development of new styles, new materials and new processes for sheet flooring, and continues to research and develop oriented toward environmental-friendly and human-friendly materials. Meanwhile, the Company will keep concerning the relevant technological changes in the industry, controlling the latest trends, and assessing the impact thereof on the Company's operations. No material impact on the Company's business/finance due to technological or industrial changes has taken place during the most recent year and until the date of publication of the prospectus.

6. Impact of changes in the corporate identity on the Company's crisis management, and responsive measures:

The Company upholds the management philosophy focusing on "Ethical Management-Based and Customers as First Priority", dedicated to production and sale of sheet plastic flooring, complying with relevant laws and regulations,

promoting various certifications actively, and maintaining harmonious labor-management relations at the same time. Since the Company was founded, it has kept its fair industrial position and goodwill. Therefore, there is no change in corporate identity resulting in the Company's corporate crisis management.

7. Expected benefits, possible risks and responsive measures of merger and acquisitions:

The Company had no merger and acquisition project during the most recent year and until the date of publication of the prospectus.

8. Expected benefits, risks and responsive measures associated with plant expansions:

In response to the impact of the trade war between China and the U.S., the Company is optimistic about the increasing scale of the domestic market for SPC flooring tiles in Europe, the U.S., and China, and because SPC flooring itself has excellent super wear resistant, fire retardant, moisture resistant, and environmentally friendly characteristics, the Company has begun to build a plant for SPC stone-plastic flooring in the hope of stabilizing the commercial market and expanding the sales in the home market through the adjustment of the dual-business strategy of receiving orders for both LVT and SPC. We are now constructing 9 new SPC production lines in Tainan City, which will be opened in October 2022 to start mass production and will mainly supply the North American market. The expansion of the Company's production capacity is necessary for its operations, and the possible risks are still limited. The Company can also increase its order-taking capacity to fully utilize the new production capacity and achieve the strategic goal of production capacity diversification and market diversification. The Company's plans to build new plants have been carefully evaluated, taking into full consideration the payback benefits and possible risks.

9. Risks and responsive measures associated with concentrated sales or purchases:

- (1) Purchase

The Company is a professional manufacturer of sheet-type stone-plastic flooring, and the raw materials it purchases are mainly PVC powder, transparent materials, printing fabrics and plasticizers, etc. The proportion of purchases from the largest supplier to the consolidated total net purchases for the Q1, 2024 and 2025 are 18.32% and 17.00%, respectively, and there should not be any significant risk of over-concentration of purchases.

In order to increase the mobility of supply sources, the Company has more than two suppliers for its major raw materials. The source of supply is fairly stable, and there has not been any shortage of supply in recent years or in the recent past.

- (2) Sales

The proportion of the Group's sales to its largest customer for the year 2024 and the first quarter of 2025 was 53.99% and 40.78%, respectively. In addition, each of the subsidiaries of the K Group negotiated the sales contents independently and placed orders individually. After years of cooperation between the two parties, the Company and K Group entered into an exclusive sales and distribution contract, which stipulates that the Company shall be the sole agent for the sale of the product specifications of the contract in Europe and North Africa, and that the Company can only supply to K Group in the aforesaid product specifications and regions. In addition to continuing to maintain a good relationship with K Group, the Company is also striving for OEM opportunities in North America through capacity enhancement, process improvement to increase price competitiveness, and development of new products, etc. The Company is also focusing on the operation of its own brands

and the development of its own branded distribution channels in Mainland China and Taiwan, which, through the development of new customers and the expansion of its own branded market, should be able to effectively increase the amount of sales, and make the Company's financial business more stable. By developing new customers and expanding the private label market, we should be able to effectively increase sales and make the Company's financial business more stable.

10. Impacts, risks and responsive measures following a major transfer or replacement of shareholding by directors, supervisors, or shareholders with more than 10% ownership interest:

No business risk has been caused by the major transfer or replacement of shareholding by directors, supervisors, or shareholders with more than 10% ownership interest.

11. Impacts, risks and responsive measures associated with a change of management:

The Company had no change of management during the most recent year and until the date of publication of the prospectus.

The Group has appointed independent directors, established the Audit Committee and strengthened various corporate governance policies. Therefore, the change of management, if any, is not likely to render adverse impact or business risk against the Company.

12. Major litigations and non-contentious cases: Describe the major litigations, non-contentious cases or administrative litigations involving the Company or any director, supervisor, President, person-in-charge or major shareholder with more than 10% ownership interest, whether concluded or pending judgment, that are likely to pose significant impact to shareholders' equity or security prices of the Company, and disclose the nature of dispute, the claimed value, the date when the litigation first started, the key parties involved, and progress as of the publication date of the annual report:

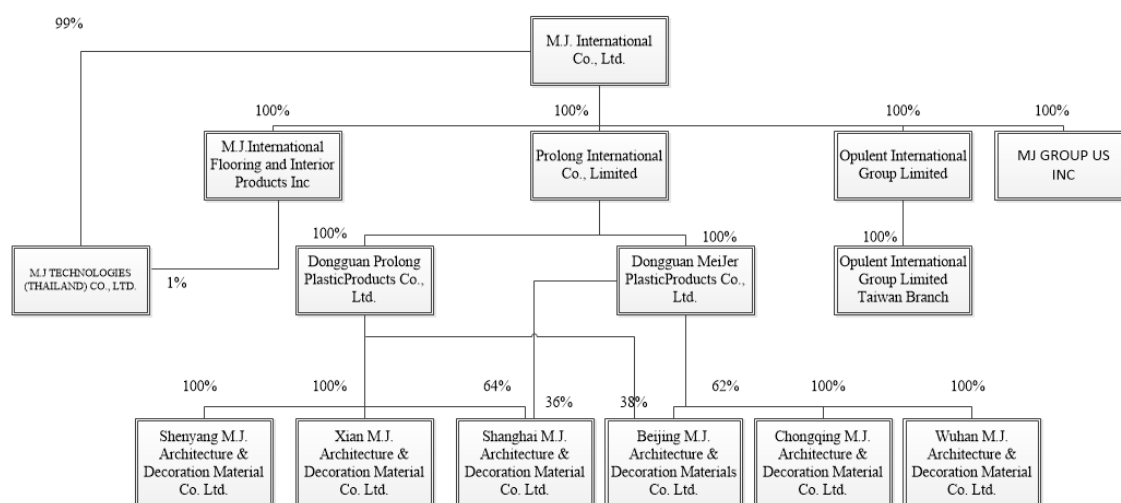
13. Other significant risks and responsive measures: None.

VII. Other important notes: None.

Six. Special notes

I. Consolidated business reports of affiliated enterprises

(I) Organizational chart of affiliated enterprises



(II) Basic information by affiliated enterprise

Capital unit: NT\$ thousand

Company name	Date of incorporation	Territory	Paid-in capital	Main functions
Prolong International Co., Limited	November 18, 2010	Hong Kong	USD14,460	Investment holding
Opulent International Group Limited	November 15, 2012	Hong Kong	USD8,700	Procurement of raw materials and acceptance of order for export
Opulent International Group Limited Taiwan Branch	January 4, 2013	Taiwan R.O.C.	-	Business location dedicated to accepting orders for export
M.J. International Flooring and Interior Products Inc	May 15, 1982	Taiwan R.O.C..	NTD900,000	Sales and business location in the territories of Taiwan
Fullhouse Investments Limited(Note1)	November 09, 2018	Samoa	USD1,751	Investment holding
Green Touch Floors Inc. (Note3)	September 01, 2017	Canada	CAD2,273	Sales and operation sites at Canada
Dongguan Prolong Plastic Products Co., Ltd.	August 10, 1993	China	HKD78,538	Investment holding, and production of sheet plastic flooring
Dongguan Mei Jer Plastic Products Co., Ltd.	January 1, 2002	China	USD32,271	Investment holding, and production of sheet plastic flooring
Chongqing M.J. Architecture & Decoration Material Co. Ltd.	November 23, 2012	China	RMB8,000	Sales and business location in the territories of the mainland China
Beijing M.J. Architecture & Decoration Materials Co. Ltd.	January 6, 2013	China	RMB14,500	Sales and business location in the territories of the mainland China
Shanghai M.J. Architecture & Decoration Material Co. Ltd.	January 7, 2013	China	RMB47,000	Sales and business location in the territories of the mainland China
Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. (Note2)	August 1, 2013	China	RMB800	Sales and business location in the territories of the mainland China
Wuhan M.J. Architecture & Decoration Material Co. Ltd.	June 16, 2016	China	RMB11,000	Sales and business location in the territories of the mainland China
Xian M.J. Architecture & Decoration Material Co. Ltd.	August 18, 2017	China	RMB5,000	Sales and business location in the territories of the mainland China
Shenyang M.J. Architecture & Decoration Material Co. Ltd.	May 27, 2018	China	RMB4,793	Sales and business location in the territories of the mainland China

MJ GROUP US INC	July 7, 2024	U.S	USD250	Sales sites at U.S
M.J. TECHNOLOGIES (THAILAND) CO., LTD.	November 14, 2024	Thailand	THB12,500	Sales and operation sites at Thailand.

Note 1: Fullhouse Investments Limited completed the tax cancellation and industrial and commercial cancellation on March 7, 2025..

Note 2: Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. completed the tax and industrial and commercial cancellation in February and March, 2024 respectively.

Note 3: Green Touch Floors Inc. completed the delivery on August 1, 2024.

(III) Information on shareholders presumed to have a controlling and dependent relationship: None.

(IV) The industry covered by the business operated by the entire affiliated enterprises

The business operations of the Company and its related enterprises include general investment, production and sales of sheet-shaped stone plastic flooring, and all related enterprises operate according to the overall business plan of the Group.

(V) Information on directors, supervisors and presidents of the Company's affiliated enterprises

Company name	Director	Supervisor	President
M.J. International Flooring and Interior Products Inc	M.J. International Flooring and Interior Products Inc - representative Chen Pen-Yuan, Chen I-Hsiu and Lin An-Hsiu	M.J. International Flooring and Interior Products Inc - representative Hsieh Ming-Feng	Chen Pen-Yuan
Prolong International Co., Limited	Chen Pen-Yuan	-	-
Opulent International Group Limited	Chen Pen-Yuan	-	-
Fullhouse Investments Limited(Note1)	Chen Pen-Yuan	-	-
Green Touch Floors Inc. (Note3)	Chen Pen-Yuan, Chen I-Hsiu, ZEN XU	-	ZEN XU
Dongguan Prolong Plastic Products Co., Ltd.	Lo Fong-Chu, Chen I-Hsiu and Chen Chien-Ming	Hsieh Ming-Feng	Chang Chih-Tai
Dongguan Mei Jer Plastic Products Co., Ltd.	Lo Fong-Chu, Chen I-Hsiu and Chen Chien-Ming	Hsieh Ming-Feng	Chang Chih-Tai
Chongqing M.J. Architecture & Decoration Material Co. Ltd.	Chen I-Hsiu	Liu Chiao-Lu	-
Beijing M.J. Architecture & Decoration Materials Co. Ltd.	Chen I-Hsiu	Liu Chiao-Lu	-
Shanghai M.J. Architecture & Decoration Material Co. Ltd.	Chen I-Hsiu	Liu Chiao-Lu	-
Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. (Note2)	Chen I-Hsiu	Liu Chiao-Lu	-
Wuhan M.J. Architecture & Decoration Material Co. Ltd.	Chen I-Hsiu	Liu Chiao-Lu	-
Xian M.J. Architecture & Decoration Material Co. Ltd.	Chen I-Hsiu	Liu Chiao-Lu	-
Shenyang M.J. Architecture & Decoration Material Co. Ltd.	Chen I-Hsiu	Liu Chiao-Lu	-
MJ GROUP US INC	Chen I-Hsiu		
M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Chen Pen-Yuan ,Chen I-Hsiu		

Note 1: Fullhouse Investments Limited completed the tax cancellation and industrial and commercial cancellation on March 7, 2025.

Note 2: Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. completed the tax and industrial and commercial cancellation in February and March, 2024 respectively.

Note 3: Green Touch Floors Inc. completed the delivery on August 1, 2024.

(VI) Operating overview of affiliated enterprises

Name of enterprise	Currency type	Capital	Worth of total assets	Worth of total liabilities	Net worth	Operating revenue	Operating gain	Current gain (loss)	EPS
								(after tax)	(after tax)
Prolong International Co., Limited	USD	14,460	55,172	5	55,167	-	(7)	3,538	Note 1
Opulent International Group Limited	USD	8,700	29,446	7,777	21,669	65,090	1,344	1,344	Note 1
M.J. International Flooring and Interior Products Inc	NTD	900,000	3,300,675	2,933,374	367,301	1,417,958	(243,723)	(290,292)	(322.55) Note 2
Fullhouse Investments Limited(Note 3)	USD	1,751	304	3	301	-	(11)	123	Note 1
MJ GROUP US INC	USD	250	181	16	165	0	(85)	(85)	Note 1
M.J. TECHNOLOGIES (THAILAND) CO., LTD.	THB	12,500	12,504	1	12,503	0	(1)	3	Note 1
Green Touch Floors Inc(Note 5).	CAD	-	-	-	-	-	-	-	Note 1
Dongguan Prolong Plastic Products Co., Ltd.	RMB	HKD 78,538	160,453	38,105	122,348	145,623	7,104	7,589	Note 1
Dongguan Mei Jer Plastic Products Co., Ltd.	RMB	USD 32,271	346,916	50,291	296,625	335,290	21,862	21,831	Note 1
Chongqing M.J. Architecture & Decoration Material Co. Ltd.	RMB	8,000	2,276	-	2,276	-	(188)	(204)	Note 1
Beijing M.J. Architecture & Decoration Materials Co. Ltd.	RMB	14,500	3,550	2,752	798	-	(198)	(246)	Note 1
Shanghai M.J. Architecture & Decoration Material Co. Ltd.	RMB	47,000	55,396	32,368	23,028	-	(2,362)	(1,542)	Note 1
Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. (Note 4)	RMB	-	-	-	-	-	(2)	814	Note 1
Wuhan M.J. Architecture & Decoration Material Co. Ltd.	RMB	9,000	6,054	61	5,993	-	(264)	(45)	Note 1
Xian M.J. Architecture & Decoration Material Co. Ltd.	RMB	4,500	2,872	19	2,853	-	(187)	(95)	Note 1
Shenyang M.J. Architecture & Decoration Material Co. Ltd.	RMB	4,793	3,835	25	3,810	-	(135)	654	Note 1

Note 1: Not applicable as a limited company.

Note 2: Par value of 10,000 per share.

Note 3: Fullhouse Investments Limited completed the tax cancellation and industrial and commercial cancellation on March 7, 2025.

Note 4: Guangzhou PROMAX Architecture & Decoration Material Co. Ltd. completed the tax and industrial and commercial

cancellation in February and March, 2024 respectively.

Note 5: Green Touch Floors Inc. completed the delivery on August 1, 2024.

(VII) Consolidated financial statements of affiliated enterprises: as same as the consolidated financial statements.

(VIII) Affiliation report: N/A.

For the business lines operated by the Company and its affiliates enterprises, except Prolong International Co., Limited, which engages in investment holding, Dongguan Mei Jer Plastic Products Co., Ltd. and Dongguan Prolong Plastic Products Co., Ltd. and M.J. International Flooring and Interior Products Inc are responsible for production and manufacturing. The other subsidiaries are responsible for the marketing business in various territories. The business lines operated by them are different from the Company's, provided that their source of supply is the Company only. Each affiliated enterprise engages in operations under the labor division system per the Company's entire business planning.

- II. Any private placement of securities in the recent years up to the publication of the annual report: None.
- III. Other required supplementary notes: None.
- IV. Significant matters which might affect shareholders' equity or stock price pursuant to the subparagraph 2, Paragraph 3 of Article 36 of the Securities and Exchange Act during the most recent year and until the date of publication of the annual report: None.