



Stock Code: 8444

Green River Holding Co. Ltd.

2023

Annual Report

This annual report is available at the following websites:

1. Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>
2. Green River Holding Co. Ltd.: <http://www.greenriverholding.com>

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The 2023 Annual Report is the English translation of the Chinese version prepared and used in the Taiwan (R.O.C.). If there is any conflict between, or any difference in the interpretation of the English and Chinese language handbook, the Chinese version shall prevail.

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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 : Not applicable.

VI. Company Website: <http://www.greenriverholding.com>

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VIII. Board of Directors' Roster

Job Title	Name	Nationality	Profile
Chairman	Hsieh, Jung-Hui	R.O.C.	Standard Pallet International Co., Ltd./ Factory Manager/Responsible Person
Director	Chin Tai Holding Inc. Representative: Li, Mu-Wen	R.O.C.	Continental Engineering Corp./Valuation Manager/Coordination Manager
Director	Forward Thinking Limited Representative: Huang, Teng-Shih	R.O.C.	Evergreen Construction Corporation Ltd./Senior Engineer Procar Co., Ltd., Sales Engineer
Director	Park Island Enterprises Limited Representative: Du, King-Ling	R.O.C.	China Steel Corporation, Executive Vice President China Ecotek Corporation, Chairman Sheh Fung Screws Co., Ltd., Director
Independent Director	Chang, Jun-En	R.O.C.	College of Engineering, National Cheng Kung University/Deputy Dean Environmental Protection Administration, Executive Yuan, R.O.C.(Taiwan)/Minister Formosa Association of Resource Recycling/Chairman Sustainable Environment Research Laboratories, National Cheng Kung University/Director Department of Environmental Engineering, National Cheng Kung University/Emeritus Professor Yung Yuan Chemical Materials Corp./Consultant
Independent Director	Pai, Pei-Lin	R.O.C.	Nanya Technology Corporation/Vice President and Spokesman Alpha & Omega Semiconductor Co., Ltd., Vice President FocalTech Systems Co., Ltd., Vice President Intellectual Property Innovation Corporation, Director Representative Winbond Electronics Corp, Vice President
Independent Director	Chen, Yu-Hsuan	R.O.C.	Sheh Kai Precision Co., Ltd Audit Director Sheh Kai Precision Co., Ltd Chairman's Special Assistant

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I. Letter to Shareholders

Dear Shareholders,

As the impact of the pandemic gradually subsides, there is hope across various sectors for economic recovery momentum. However, inflation issues and ongoing conflicts have continued to affect the global economy, leading to a slow recovery. The World Bank has revised down its economic growth rate forecast in 2024, and countries are adopting a conservative stance towards performance in the new year. Green River Group still faces formidable challenges this year. The group is focusing on major market trends, deepening customer relationships, integrating group resources, maintaining operational capacity, and adjusting business strategies dynamically to seek stability amidst volatility. The operational results in 2023 and the outlook in 2024 are as follows:

1. 2023 Business Performance

(1). Operating Performance

The Group's 2023 consolidated operating revenue is NT\$ 4,654,573 thousand, and the annual net loss attributed to shareholders of the parent company is NT\$ 622,442 thousand. The basic deficits per share is NT\$ 6.98. Compared to 2022, the operating revenue of 2023 is increased by 22.95%, consolidated net loss is reduced by 22.36% and the gross margin is decreased by 10.34%.

(2). Operating Income/Expense Budget Implementation: Since the Group is not required to prepare the financial forecast, this is not applicable.

(3). Financial Income/Expense Analysis

Income Statement

Unit: In Thousands of New Taiwan Dollars

Item	2023	2022	Increase (Decrease) Percentage %
Operating Revenue	4,654,573	3,785,832	22.95
Operating Costs	4,173,267	3,383,868	23.33
Gross Profit	481,306	401,964	19.74
Operating Expenses	678,242	809,849	(16.25)
Net Operating Income (Loss)	(196,936)	(407,885)	(51.72)
Profit (Loss) Before Income Tax	(639,819)	(889,740)	(28.09)
Net Profit (Loss)	(624,700)	(804,627)	(22.36)
Net Profit (Loss) Attributed to Owners of Parent	(622,442)	(787,309)	(20.94)

Source of Information: Financial statements audited by the independent auditors.

(4). Profitability Analysis

Important Financial Ratio Analysis

Item		2023	2022
Return on Assets (%)		(3.17)	(7.22)
Return on Shareholders' Equity (%)		(39.88)	(43.34)
Paid-in Capital Ratio (%)	Operating Profit	(19.54)	(45.44)
	Net Profit Before Tax	(63.49)	(99.12)
Net Profit Margin (%)		(13.42)	(21.25)
Earnings (Deficits) per Share (NT\$)		(6.98)	(8.82)

Source of Information: Financial statements audited by the independent auditors.

(5). Research and Development Status

The Group will continue to improve the particleboard production process and will actively improve the adhesives technologies and formula, thereby developing various products equipped with special application characteristics and optimizing the production line efficiency; to control the formaldehyde level in the panels and develop ultra-low formaldehyde and formaldehyde-free panels in order to improve our product competitiveness. In recent years, our F4-star panel has been certified by SGS Switzerland and JTCCM to meet the standard for formaldehyde testing. In addition, the formaldehyde-free panels have also been certified by SGS and the China National Furniture and Indoor Environment Quality Supervision and Inspection Center for TVOC and formaldehyde testing.

2. 2024 Business Plan Overview

(1). Operational Directives

- A. Implementing the concept of sustainable development:
 - a. Combining advanced technology to increase production capacity and reduce environmental pollution, aiming for simultaneous growth and environmental protection.
 - b. Actively participating in local community activities, serving the neighborhood, and giving back to society.
- B. Reducing production costs, adjusting sales portfolios to create profits and growth, and rewarding shareholders.
- C. Valuing customer feedback, paying attention to market trends, and creating brand value.

(2). Important Production and Sales Policies

The Group aims to optimize management data to adjust production and sales strategies in real time while striving to reduce production costs. Upgrades are implemented across various aspects, such as product research and development, quality control, and procurement cost reduction, to continuously create high-quality, stable products.

In alignment with customer demands and market trends, the Group continuously optimizes production formulas, focusing on developing environmentally friendly, safe, non-toxic, and

multi-functional high-end particle board products. The Group's products comply with multiple international certification standards, and with regular sampling tests, the Group will continuously pursue formulation and production techniques that balance product performance and environment.

Efforts are made to appropriately allocate product lines and adjust production schedules to enhance production efficiency and stability. The Group also intensifies strict quality control inspections and diligently reviews customer feedback to stabilize and enhance product quality, reducing production costs. Simultaneously, process improvements are made to increase the production capacity of particle boards, further creating economies of scale.

Since 2022, a series of events, such as freight route blockages, the Russia-Ukraine war, and the Israel–Hamas war, have continuously affected the fluctuation of crude oil prices and various raw material prices. The Group closely monitors the changing trends in raw material prices and seeks multiple supply sources. This ensures stable raw material supply and quality while strengthening bargaining capabilities to reduce procurement costs.

The Group focuses on market development trends, grasps product research and development contexts, and provides differentiated products according to customer demands, establishing excellent post-sales service and consolidating long-term customer relationships. Furthermore, understanding the demand for environmentally friendly products in various regions, the Group intensifies efforts to develop emerging areas and explore potential market opportunities, actively expanding its business footprint. The Group builds its reputation and enhances brand visibility through refined marketing mechanisms and excellent products and services. Additionally, the Group actively participates in home industry exhibitions and network marketing globally to increase brand exposure and establish Green River's brand advantage.

3. Company's Future Development Strategy

- (1). Marketing strategy: Continuously improve operational management and efficiency, integrate manpower across various factories, evaluate manpower needs carefully, recruit talents appropriately, and enhance management efficiency. Accumulate industry contacts through industrial cooperation, encourage employees to pursue external training to grasp industry trends, and adjust group operational plans accordingly. Optimize software control and hardware equipment coordination, improve processes continually, strengthen research and development efforts, enhance production efficiency of high-end products, increase product added value, and use information systems to collect and monitor operational information to further strengthen information integration advantages and improve operational performance. Adjust order distribution and shipping volume according to regional price differences, individual customer payments, and overdue accounts to maximize production and sales volume and profitability.

- (2). Equipment Optimization: Cultivating professional engineering personnel, maintain technical cooperation with equipment manufacturers, regularly perform maintenance and improvements to enhance equipment efficiency. Important component materials can be directly purchased from the original manufacturer, and other suitable suppliers (with priority given to local ones) are continually sought to avoid stockouts and strengthen negotiation capabilities.
- (3). Financial strategy: Strict budget review, control group expenditure, and revise payment policies. Given the group's focus on exports, regular reviews of the financial status and exchange rate fluctuations of trading partners in various countries are conducted to adjust transaction terms accordingly, and foreign currency positions are reviewed regularly to reduce the impact of market exchange rate and interest rate risks on the group. Increase the ability to forecast future funds and raise funds, maintain good cooperation relationships with financial institutions, and utilize direct and indirect financial instruments to build a complete group financial structure.
- (4). Sustainable Operation: The group attaches importance to and promotes corporate sustainable development, continuously monitors and improves relevant data and policies, voluntarily discloses ESG-related information in advance, and implements the concept of sustainable operation, aiming to perfect corporate social responsibility.

4. 2024 Business Outlook

As we look ahead, the Group will keep a close eye on the global situation, prudently adjust its marketing strategies, maintain existing customer relationships, deepen its presence in emerging markets, coordinate sales assessment and adjustments, and continue to improve and optimize production formulas and processes to enhance the Group's market competitiveness. The Group will also uphold the business philosophy of sustainable development, voluntarily produce sustainability reports to disclose ESG-related information, and continue to pursue growth and environmental protection, aiming to become a leading enterprise in the Asian green resource particle board industry. We wish all shareholders all the best,

Good Health and Prosperity

Chairman:	Hsieh, Jung-Hui
Managerial Officer:	Huang, Teng-Shih
Accounting Supervisor :	Wang, Sheng-Feng

II. Company Profile

1. Company and Group Introduction

Green River Holding Co. Ltd. (hereinafter referred to as “GRH”) was established in the Cayman Island on January 14, 2011. GRH became the final holding company of the Group through a group restructuring under which GRH acquired equity interests in Green River Panels (Thailand) Co., Ltd. (hereinafter referred to as “GP”) in December 2011 and the equity interests in Green River Wood & Lumber Manufacturing (Thailand) Co., Ltd. (hereinafter referred to as “GRW”) in February 2012 by way of share swap. On January 4, 2017 and February 20, 2017, the Company set up the subsidiaries named Happy Magic International Limited (hereinafter referred to as “HM”) and Green River Trang (Thailand) Co., Ltd. (hereinafter referred to as “GPT”), respectively. On October 16, 2017, the Company acquired 85% shares of TDIC South Co., Ltd. (hereinafter referred to as “TDICS”) through HM. in order to further expand the business scope of the Group.

The Company and subsidiaries (hereinafter collectively referred to as the “Company”) originated from GRW established in January 2000, for the business of manufacturing and sales of rubber solid wood boards. Subsequently, in July 2004, GP was established for the manufacturing, processing, and sales of particle boards, and it was the first foreign-owned enterprise of a company integrated with the manufacturing of particle boards and solid wood boards in Thailand. The main business entity of the Company is located in the border area of Songkhla Province in southern Thailand, and the sales regions include Malaysia, Indonesia, China, Korea, Thailand, and other Southeast Asian regions. In addition, the Company is also developing business in potential markets in other areas. Since the Company locates in the area with the highest density of rubber wood resources in Thailand, the Company has the strength in obtaining raw materials, such that the Company is able to utilize excellent corporate management and technical advantages to implement differential competition and industry integration tactics, in order to gradually develop into a company equipped with a complete industry chain, reasonable product structure, innovative research and development, and manufacturing and assets management comprehensive capabilities.

2. Date of Establishment: January 14, 2011

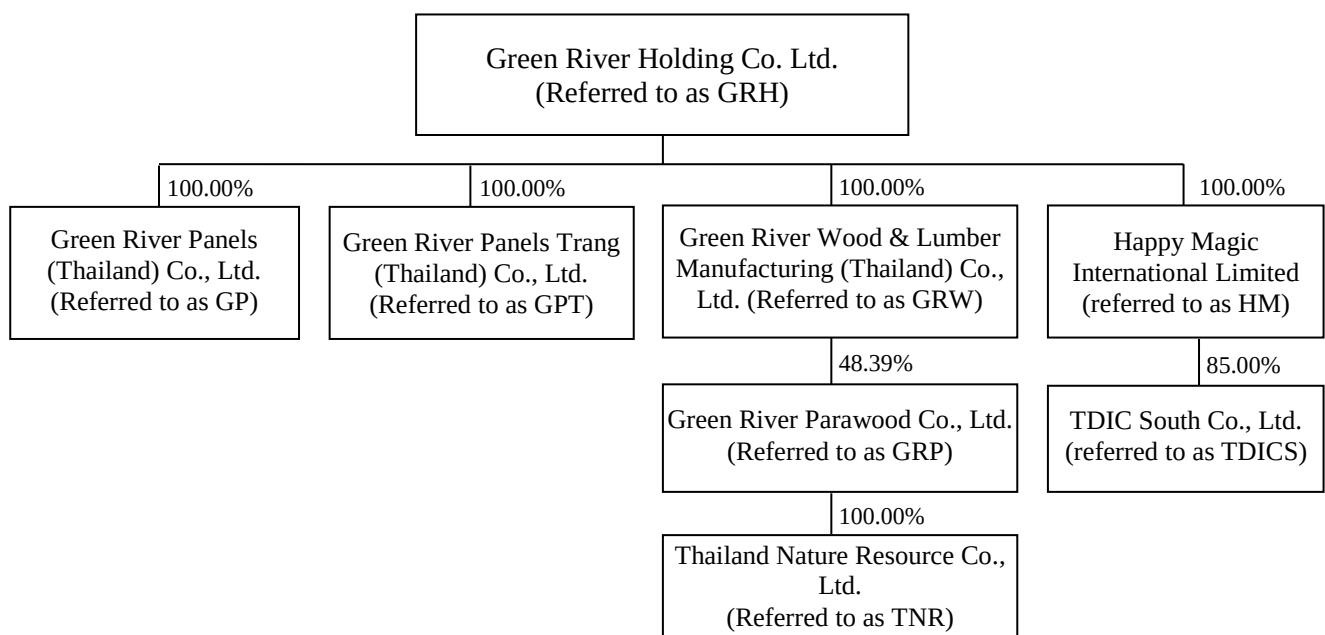
3. Company History

Year/ Month	Milestones
2000/01	GRW solid wood board business established in Thailand, and mass production started in May of the same year.
2002/07	Established Green River Parawood Co., Ltd. (hereinafter referred to as “GRP”) and expanded the solid wood board business entity, and established Satun branch in November of the same year in order to construct a rubber raw wood collection network.
2003/04	GRP established Trang branch, and also established Khaochaison branch in August of the same year in order to expand solid wood board’s production quantity and raw material collection sites.

Year/ Month	Milestones
2004/07	Planned the particle board business, and established GP.
2005/03	Initially completed the rubber wood collection sites in various aspects, and successfully integrated the rubber wood sources in southern Thailand.
2006/05	GP signed a collaboration agreement with suppliers officially, and started the construction of plant in October of the same year.
2007/12	GP equipment installed completely and initial commissioning performed.
2008/09	GP started its official operation and mass production and GP obtained the SGS quality certifications of EU E1 and E2 level in October of the same year.
2009/01	GP obtained USA CARB Phase 1 quality certification.
2010/01	-GP qualified SGS (ISO9001:2008) quality certification. -GP obtained USA CARB Phase 2 quality certification.
2010/03	The Company started to develop a social responsibility relationship, and actively participated in public welfare activities of schools and government agencies.
2010/06	Started the establishment of the Thailand Nature Resource Co., Ltd. (hereafter referred to as “TNR”) in order to expand the solid wood board business scale. In December of the same year, GRP invested in TNR to establish its main plant in Thung Yai.
2011/01	Established Green River Holding Co. Ltd. (GRH).
2011/06	TNR Thung Yai main plant started mass production.
2011/08	GP received First-Class award for outstanding environmental factory from Ministry of Industry in Thailand.
2011/11	GP invested in automatic trimming, grinding, and sanding production lines, in order to significantly increase production capacity.
2011/12	GRH officially held 93.14% of GP’s equity through equity swap.
2012/01	-GRH obtained 6.86% of GP’s equity from GRW. -GRP established the Prik branch.
2012/02	-GRH officially held 100% of GRW’s equity through equity swap. -TNR merged sawmill of the Fancy Wood Company in Phang Nga, Thailand.
2013/01	The GRH public offering registration became effective and GRH registered at the Taipei Exchange, R.O.C., as registered the company on the emerging stock market in July of the same year and GRH increased its capital by cash at NT\$ 66,000,000 in December of the same year.
2014/10	GP constructed GP II plant and planned the melamine faced chipboard plant.
2015/10	GRH officially listed at OTC.
2016/01	GP’s melamine faced chipboard plant started mass production.
2016/07	GP II plant started mass production.
2017/01	Established HM to perform investment business and to increase the flexibility of the Group’s fund utilization.
2017/02	Established GPT to expand the particle board business scale.

Year/ Month	Milestones
2017/07	SAP information system was officially put online to increase the information integration ability of the Group.
2017/10	Acquired 85% of TDICS's equity and planned the resin plant.
2018/08	Obtained the FSC CoC certification.
2019/02	Obtained Japan JIS A5908, F-3star and F-2 star quality certification.
2019/04	Obtained inspection report of JIS F-4 star Formaldehyde Emission Standard of SGS.
2019/09	Obtained inspection report of JIS F-4 star Formaldehyde Emission Standard of JTCCM.
2020/03	Obtained USA CARB and EPA NAF(No Added Formaldehyde-based-resin) quality certification.
2020/06	-GPT started its official operation and mass production. -Pass the TVOC test from China National center for Quality Supervision& Inspection of Furniture and Indoor Environment.
2020/07	Pass the TVOC test from SGS.
2021/05	Obtained Japan JIS A5908, F-4star quality certification.
2021/10	TDICS Resin Factory started mass production.
2022/09	The Group voluntarily discloses ESG-related information to seek the coexisting between business growth and environmental protection.
2023	-The company has successfully developed and stably mass-produced high-end products such as formaldehyde -free and low-formaldehyde products. -The Company's 9th Corporate Governance Assessment Results have made remarkable progress, elevating by two tiers to secure a position within the top 6%~20%.

4. Group Structure



- (1) GRH was established in the Cayman Islands on January 14, 2011, with paid-in capital of NT\$ 1,004,669 thousand. GRH is a holding company that does not perform substantial economic activities.
- (2) GP is a subsidiary 100% owned by the Company, established in July 2004 in Thailand, with paid-in capital of THB 1,040,000 thousand, and it mainly operates the business of manufacturing, processing, and sales of particle boards and melamine faced chipboards.
- (3) GPT is a subsidiary 100% owned by the Company, established in February 2017 in Thailand, with paid-in capital of THB 875,000 thousand, and it mainly operates the business of manufacturing and sales of particle boards.
- (4) HM is a subsidiary 100% owned by the Company, established in January 2017 in Samoa, with paid-in capital of USD 113,661 thousand, and it mainly operates investment business and the Group's fund allocation.
- (5) TDICS is a subsidiary 85% owned by HM, established in January 2017 in Thailand, with paid-in capital of THB 180,000 thousand, and it mainly operates the business of manufacturing and sales of resin.
- (6) GRW is a subsidiary 100% owned by the Company, established in January 2000 in Thailand, with paid-in capital of THB 100,000 thousand, and it mainly operates the business of manufacturing and sales of rubber solid wood boards.
- (7) GRP is a subsidiary 48.39% invested by GRW, established in July 2002 in Thailand, with paid-in capital of THB 100,000 thousand, and it mainly operates the business of purchase and trimming of rubber wood raw materials.
- (8) TNR is a subsidiary 100% invested by GRP, established in June 2010 in Thailand, with paid-in capital of THB 60,000 thousand, and it mainly operates the business of manufacturing and sales of rubber solid wood boards.

5. Risk Matters

Please refer to Section VII. Item 6 of this Annual Report.

III. Corporate Governance Report

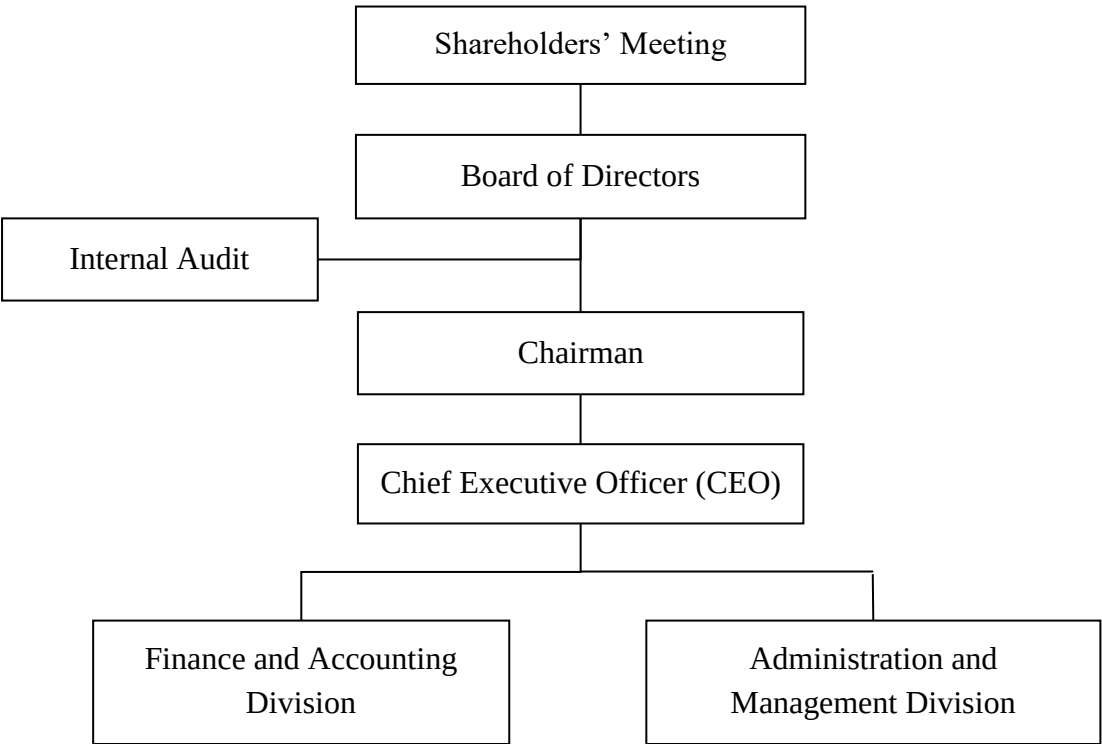
1. Organization System

(1) Organizational Structure

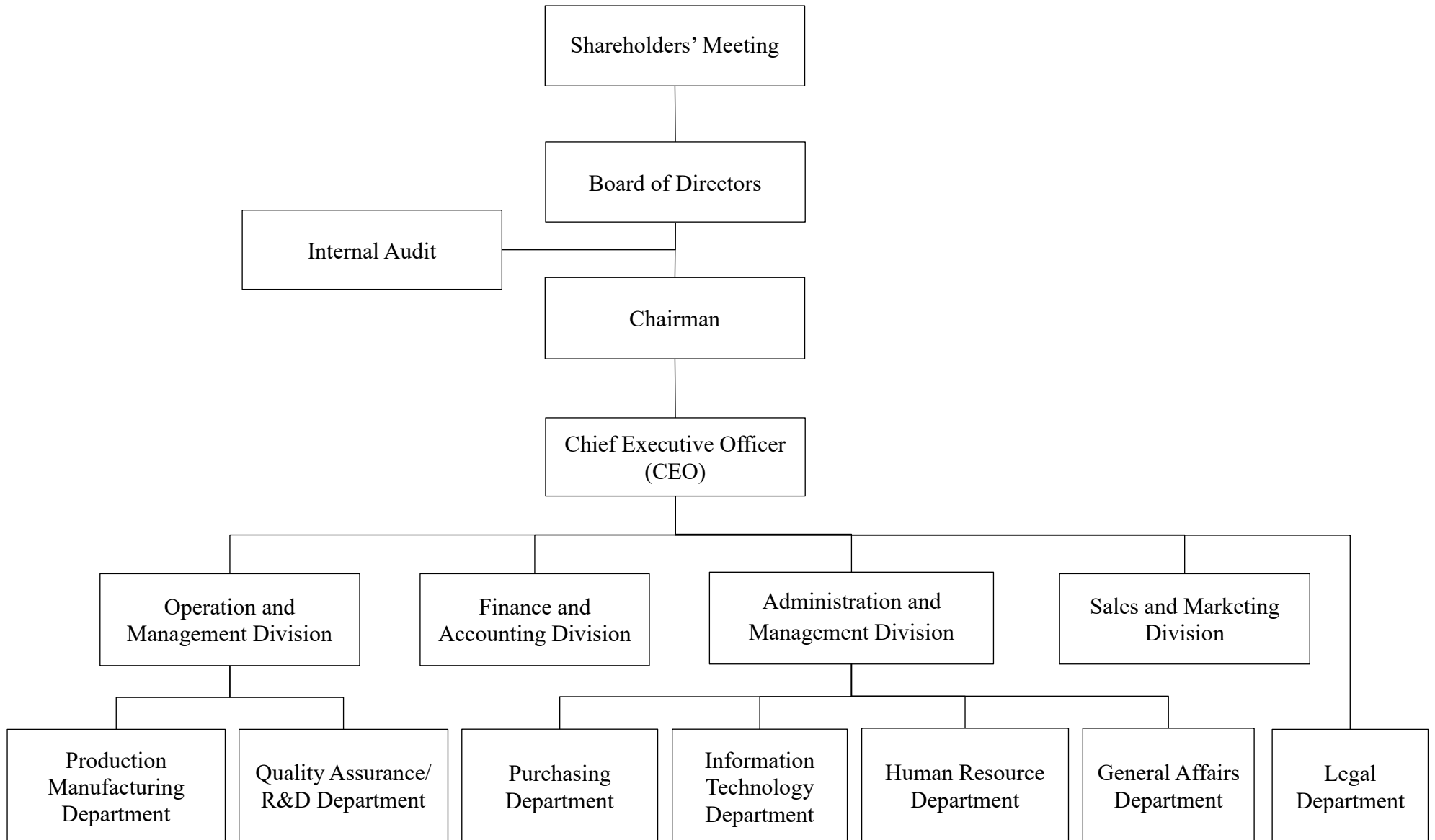
A.GRH



B. Subsidiaries HM



C. Subsidiaries GP/GPT/GRW/GRP/TNR/TDICS



(2) Responsibilities of Main Departments

A. GRH

Department	Responsibilities
Internal Audit	1. Establishment of internal control operation cycle system. 2. Audit of internal control cycle. 3. Every month prepare audit reports for submission to the Board of Directors and Audit Committee as well as provide recommendations and improvement solutions.
Chief Executive Officer (CEO)	1. Establish the direction and goal for the Company business operation, and responsible for supervision to achieve the goal. 2. Responsible for the Company operation, management, etc. in order to achieve the business management goal and development objectives. 3. Responsible for the Company's medium and long-term strategy planning and project service execution. 4. Integrate comments from all units for reporting to the Board of Directors.
Finance and Accounting Division	1. Finance and Accounting system establishment and operation. 2. Preparation of financial statements, daily accounting operations, tax declaration, and withholding operations. 3. Bank interaction and fund transfer, long and short-term fund planning and fundraising, budget establishment, and financial risk control. 4. Maintain investor relationships.
Administration and Management Division	1. Manage administrative management affairs including human resources, procurement, and information, etc. of the Company. 2. Logistics management operation planning and execution in order to cooperate with the promotion of the Company's management strategies. 3. Responsible for the Group's administrative resource planning, general affairs execution management, and property operation management. 4. Planning, construction, development and management of various information operating systems and equipment of the group. 5. Planning and execution of information security policy.
Corporate Governance Office	1. Appoint litigation agents and non-litigation attorney according to the Articles of Incorporation in order to complete matters assigned by the headquarters. 2. Perform reporting and announcement affairs specified by the competent authority. 3. Responsible for the Group's regulation compliance and policy making. 4. Planning and supervising subsidiaries' development and performance to cooperate with the Company's management strategies. 5. Stock affairs related matters and resolution of Board of Directors' meeting planning and execution. 6. Plan and promote business related to corporate governance system and assist in Corporate Governance Assessment.

B. Subsidiaries HM

Department	Responsibilities
Internal Audit	1. Establishment of internal control operation cycle system. 2. Audit of internal control cycle. 3. Periodically prepare audit reports for submission to the Board of Directors and provide recommendations and improvement solutions.
Chief Executive Officer (CEO)	1. Establish the direction and goal for the Company business operation, and responsible for supervision to achieve the goal. 2. Responsible for the Company operation, management, etc. in order to achieve the business management goal and development objectives. 3. Responsible for the Company's medium and long-term strategy planning and project service execution. 4. Integrate comments from all units for reporting to the Board of Directors.
Finance and Accounting Division	1. Finance and Accounting system establishment and operation. 2. Preparation of financial statements, daily accounting operations, tax declaration, and withholding operations. 3. Bank interaction and fund transfer, long and short-term fund planning and fundraising, budget establishment, and financial risk control.
Administration and Management Division	1. Responsible for the administration management affairs of Company information, etc. 2. Logistics management operation planning and execution in order to cooperate with the promotion of the Company's management strategies.

C. Subsidiaries GP/GPT/GRW/GRP/TNR/TDICS

Department	Responsibilities
Internal Audit	1. Establishment of internal control operation cycle system. 2. Audit of internal control cycle. 3. Periodically prepare audit reports for submission to the CEO and the Board of Directors and provide recommendations and improvement solutions.
Chief Executive Officer (CEO)	1. Establish the direction and goal for the Company business operation, and responsible for supervision to achieve the goal. 2. Responsible for the Company operation, management, etc. in order to achieve the business management goal and development objectives. 3. Responsible for the Company's medium and long-term strategy planning and project service execution. 4. Integrate comments from all units for reporting to the Board of Directors.
Operation and Management Division	1. Manage the Company's operation management affairs of production manufacturing and quality assurance, research and development, etc. 2. Plan and execute the Company's medium and long-term product quality and manufacturing process development.
Finance and Accounting Division	1. Finance and Accounting system establishment and operation. 2. Preparation of financial statements, daily accounting operations, tax declaration, and withholding operations. 3. Bank interaction and fund transfer, long and short-term fund planning and fundraising, budget establishment, and financial risk control.

Department	Responsibilities
Administration and Management Division	1. Manage administrative management matters including human resources, general affairs, procurement, and information, etc. of the Company. 2. Logistics management operation planning and execution in order to cooperate with the promotion of the Company's management strategies.
Sales and Marketing Division	1. Understand customer demands in order to distinguish different markets and to provide differential products. 2. Establish market strategies, planning, and execution of product marketing. 3. Customer complaint handling.
Production Manufacturing Department	1. Perform effective manufacturing of products; manage quality timing and utilization of production capacity and raw materials. 2. Adjust production line planning in order to increase production capacity. 3. Responsible for the inventory warehouse management and transportation management.
Quality Assurance R&D Department	1. Product quality monitoring and manufacturing process improvement. 2. Periodic product submission to certification institution to ensure the product complies with the standards. 3. New product research and development as well as testing.
Purchasing Department	1. Responsible for the Group's procurement of raw materials for production and general supplies. 2. Management of suppliers.
Information Technology Department	1. Responsible for the planning, management, and maintenance works of the information system and hardware facilities of the Group. 2. Responsible for the planning and establishment of the ERP system.
Human Resource Department	1. Responsible for the Group's organization operations and human resources planning, execution of recruiting and cultivation development. 2. Personnel, employee salary, educational training operations, and employee relationship management. 3. Establishment and execution of various human resources related regulations and systems.
General Affairs Department	1. Responsible for the Group's administrative resource planning, general affairs execution management, and property operation management. 2. Company and factory environment and personnel operation related operation management. 3. Establishment and execution of various relevant general affairs and environmental safety regulations and systems.
Legal Department	1. Provide legal opinions on corporate operation to the management level in order to ensure the execution of the Company complies with the regulatory requirements, review and participate in contract negotiation and establishment. 2. Handling of various related legal dispute events of the Company.

2. Information of Directors, Supervisors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches

(1) Directors and Supervisors Information

April 27, 2024

Job Title	Nationality/ Registration Place	Name	Gender /age	Date of election/app ointment	Term of Office	First Time Date of Job Assumption	Shareholding When Elected		Current Shareholding		Current Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Main Experience (educational background)	Current Adjunct Positions at the Company and Other Companies	Other Managers, Directors, or Supervisors With Relationship of Spouse or Within Second Degree of Kinship		
							Shares Held	%	Shares Held	%	Shares Held	%	Shares Held	%			Job Title	Name	Relation ship
Chairman	R.O.C.	Hsieh, Jung-Hui	Male 61-70	2021/08/11	3 years	2021/08/11	6,383,592	7.53%	7,369,032	7.33%	524,967	0.52%	0	0	-Bachelor of Department of Civil Engineering, National Cheng Kung University -Standard Pallet International Co., Ltd. Factory Manager/Responsible Person	-Director of the Company and Subsidiaries GP, GPT, GRW, GRP, and TNR -Chairman of the Company and Subsidiaries GP, GPT, GRW, GRP, TNR, and HM	None	None	None
Director	Samoa	Chin Tai Holding Inc.	-	2021/08/11	3 years	2012/09/12	4,110,548	4.85%	4,110,548	4.09%	0	0	0	0	—	—	None	None	None
	R.O.C.	Representative: Li, Mu-Wen	Male 61-70				0	0.00%	306,748	0.31%	0	0	0	0	-Master of Structural Engineering, The University of Arizona - Bachelor of Department of Civil Engineering, National Cheng Kung University -Continental Engineering Corp./Valuation Manager/Coordination Manager	-CSO of the Company and Subsidiaries GP, GPT, GRW, GRP, and TNR	None	None	None
Director	British Virgin Islands	Forward Thinking Limited	-	2021/08/11	3 years	2012/09/12	1,161	0.00%	1,161	0.00%	0	0	0	0	—	—	None	None	None
	R.O.C.	Representative: Huang, Teng-Shih	Male 61-70				0	0.00%	135,157	0.13%	0	0	0	0	-MBA, University of Ramkhamhaeng, Thailand -Bachelor of Department of Water Resources Engineering, Feng Chia University -Evergreen Construction Corporation Ltd., Senior Engineer -Procar Co., Ltd., Sales Engineer	-Director of Subsidiaries GP, GPT, GRW, GRP, TNR, and TDICS -Chairman and CEO of Subsidiary TDICS -CEO of the Company and Subsidiary HM	None	None	None
Director	Samoa	Park Island Enterprises Limited	-	2021/08/11	3 years	2012/07/07	1,161	0.00%	1,161	0.00%	0	0	0	0	—	—	None	None	None
	R.O.C.	Representative Du, King-Ling	Male 71-80				0	0.00%	133,693	0.13%	0	0	0	0	-Master of Mechanical Engineering, University of Mississippi -Graduate School of Financial Management, New York University -Bachelor of Department of Marine Engineering, National Taiwan Ocean University -China Steel Corporation, Executive Vice President -China Ecotek Corporation, Chairman	-Sheh Fung Screws Co., Ltd., Director	None	None	None

Job Title	Nationality/ Registration Place	Name	Gender /age	Date of election/app ointment	Term of Office	First Time Date of Job Assumption	Shareholding When Elected		Current Shareholding		Current Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Main Experience (educational background)	Current Adjunct Positions at the Company and Other Companies	Other Managers, Directors, or Supervisors With Relationship of Spouse or Within Second Degree of Kinship		
							Shares Held	%	Shares Held	%	Shares Held	%	Shares Held	%			Job Title	Name	Relation ship
Independent Director	R.O.C.	Chang, Jun-En	Male 71-80	2021/08/11	3 years	2018/06/12	0	0.00%	0	0.00%	0	0	0	0	-PhD. in Civil Engineering, Tohoku University, Japan -Master of Civil Engineering, National Cheng Kung University -College of Engineering, National Cheng Kung University/ Deputy Dean -Environmental Protection Administration, Executive Yuan, R.O.C.(Taiwan)/Minister -Formosa Association of Resource Recycling/Chairman -Sustainable Environment Research Laboratories, National Cheng Kung University, Director -Department of Environmental Engineering, National Cheng Kung University, Professor	-Department of Environmental Engineering, National Cheng Kung University, Emeritus Professor -Cleanaway Co Ltd, Independent Director -Cheng Mei Materials Technology Corporation, Independent Director -Yung Yuan Chemical Materials Corp., Consultant	None	None	None
Independent Director	R.O.C.	Pai, Pei-Lin	Male 61-70	2021/08/11	3 years	2012/07/07	0	0.00%	24,000	0.02%	0	0	0	0	-PhD. in Electrical Engineering, University of California, Berkeley -B.S, in Department of Electrical Engineering, National Taiwan University -Nanya Technology Corporation, Vice President and Spokesman -Alpha & Omega Semiconductor Co., Ltd., Vice President -FocalTech Systems Co., Ltd., Vice President	-Winbond Electronics Corp, Vice President -Intellectual Property Innovation Corporation, Director Representative	None	None	None
Independent Director	R.O.C.	Chen, Yu- Hsuan	Female 41-50	2021/08/11	3 years	2021/08/11	0	0.00%	0	0.00%	0	0	0	0	-Master of The Department of Asia-Pacific Industrial and Business Management, National University of Kaohsiung -Bachelor of Accounting group, Department of Business Management, National Sun Yat-sen University -Sheh Kai Precision Co., Ltd., audit Director	-Sheh Kai Precision Co., Ltd., audit Director and Chairman's Special Assistant -Kuan-Yi Investment Co., Ltd., Supervisor -Bymit Inc., Supervisor -Tian Yu Hsuan Ltd., Representative	None	None	None

Note: The Company had established the Audit Committee on 2012/07/07 such that it is not necessary to disclose information of supervisors.

A. Major Shareholders of Corporate Shareholders

May 9, 2024

Name of Corporate Shareholders	Major Shareholders of Corporate Shareholders	Shareholding Percentage (%)
Chin Tai Holding Inc.	Everwill Investments Ltd	100
Forward Thinking Limited	Huang, Teng-Shih	100
Park Island Enterprises Limited	Du, King-Ling	100

B. Major Shareholders of Corporate Shareholders as the Major Shareholders

May 9, 2024

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders	Shareholding Percentage (%)
Everwill Investments Ltd	Li, Mu-Wen	100

C. Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors & Diversity and Independence of the Board of Directors

(a) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
[Chairman] Hsieh, Jung-Hui	Specialty: Civil Engineering, Green River Market Experience, Business Management and Board Experience -Bachelor of Department of Civil Engineering, National Cheng Kung University -Standard Pallet International Co., Ltd. Factory Manager/Responsible Person -Director of the Company and Subsidiaries GP, GPT, GRW, GRP, and TNR -Chairman of the Company and Subsidiaries GP, GPT, GRW, GRP, TNR, and HM -The 22 th Model of Taiwan and Oversea Entrepreneurs Awards	(4) (6) (9) (10) (11)	-
[Director] Chin Tai Holding Inc. Representative : Li, Mu-Wen	Specialty: Civil Engineering, Asia Pacific Market Experience and Board Experience -Master of Structural Engineering, The University of Arizona -Bachelor of Department of Civil Engineering, National Cheng Kung University -Continental Engineering Corp./Valuation Manager/Coordination Manager -CSO of the Company and Subsidiaries GP, GPT, GRW, GRP, and TNR	(3) (4) (6) (7) (9) (10) (11)	-

Qualification Name	Professional qualifications and experience	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
[Director] Forward Thinking Limited Representative : Huang, Teng-Shih	Specialty: Water Resources Engineering, Green River Market Experience, Business Management and Board Experience -MBA, University of Ramkhamhaeng, Thailand -Bachelor of Department of Water Resources Engineering, Feng Chia University -Evergreen Construction Corporation Ltd., Senior Engineer -Procar Co., Ltd., Sales Engineer -Director of Subsidiaries GP, GPT, GRW, GRP, TNR, and TDIC -Chairman and CEO of Subsidiary TDIC -CEO of the Company and Subsidiary HM -The 22 th Model of Taiwan and Oversea Entrepreneurs Awards	(3) (4) (6) (9) (10) (11)	-
[Director] Park Island Enterprises Limited Representative : Du, King-Ling	Specialty: Mechanical Engineering, Financial Management and Board Experience -Master of Mechanical Engineering, University of Mississippi -Graduate School of Financial Management, New York University -Bachelor of Department of Marine Engineering, National Taiwan Ocean University -China Steel Corporation, Executive Vice President -China Ecotek Corporation, Chairman -Sheh Fung Screws Co., Ltd., Director -The 87 th CIE Award-Engineering Medal	(1) (3) (4) (6) (7) (8) (9) (10) (11)	-
[Independent Director] Chang, Jun-En -Convener of Audit Committee -Convener of Compensation Committee	Specialty: Solid waste disposal, Resource Recycling, Environmental Engineering and Board Experience -PhD. in Civil Engineering, Tohoku University, Japan -Master of Civil Engineering, National Cheng Kung University -College of Engineering, National Cheng Kung University/Deputy Dean -Environmental Protection Administration, Executive Yuan, R.O.C.(Taiwan)/Minister -Formosa Association of Resource Recycling/Chairman -Sustainable Environment Research Laboratories, National Cheng Kung University, Director -Department of Environmental Engineering, National Cheng Kung University, Professor -Department of Environmental Engineering, National Cheng Kung University, Emeritus Professor -Cleanaway Co Ltd, Independent Director -Cheng Mei Materials Technology Corporation, Independent Director -Yung Yuan Chemical Materials Corp., Consultant -The 20 th TECO Award- Machinery/Energy/Environmental Technology Category -2007 Ho Chin Tui Outstanding Honorary Award- Environment Protection	1. The company has obtained the declaration that it complies with the eligibility requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" from all independent directors, and meets the independence requirements.	2

Qualification Name	Professional qualifications and experience	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
[Independent Director] Pai, Pei-Lin	Specialty: Electrical Engineering, Business Management, Market Experience and Board Experience -PhD. in Electrical Engineering, University of California, Berkeley -B.S. in Department of Electrical Engineering, National Taiwan University -Nanya Technology Corporation, Vice President and Spokesman -Alpha & Omega Semiconductor Co., Ltd., Vice President -FocalTech Systems Co., Ltd., Vice President -Winbond Electronics Corp, Vice President -Intellectual Property Innovation Corporation, Director Representative	2. The independent directors of the company and their spouses, minor children and Nominee Arrangement do not hold or hold in the name of others more than 1% of the company's total issued shares or are directors, supervisors, or employees of the top five legal person shareholders.	-
[Independent Director] Chen, Yu-Hsuan	Specialty: Financial Accounting and Auditing -Master of The Department of Asia-Pacific Industrial and Business Management, National University of Kaohsiung -Bachelor of Accounting group, Department of Business Management, National Sun Yat-sen University -Sheh Kai Precision Co., Ltd audit Director -Sheh Kai Precision Co., Ltd audit Director and Chairman's Special Assistant -Kuan-Yi Investment Co., Ltd Supervisor -Bymit Inc., Supervisor -Tian Yu Hsuan Ltd., Representative	3. All independent directors meet all conditions of Note 2.	-

Note 1: The independent directors of the company a person who doesn't have any of the conditions defined Article 30 of the Company Law and all independent directors have signed the declaration.

Note 2: the status of independence:

- i. Not an employee of the Company or any of its affiliates.
- ii. Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.)
- iii. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- iv. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- v. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the

Company Act. (Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.)

- vi. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. (Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.)
- vii. Not a director, supervisor, or employee of a company of which the chairman or CEO or equivalent themselves or their spouse also serve as the company’s chairman or CEO or equivalent.(Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.);
- viii. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company(Not applicable in cases if specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company and where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.);
- ix. Other than serving as a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an “audit service” or a “non-audit service which total compensation within the recent two years exceeds NT\$ 500,000.
- x. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- xi. Not been a person of any conditions defined in Article 30 of the Company Law.
- xii. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(b) Diversity and Independence of the Board of Directors:

i.Diversity of the Board of Directors:

The composition of the members of the Board of Directors of the Company considers the operation of the Company, business model, and development requirements. According to the “Corporate Governance Best Practice Principles” disclosed on the Company’s website and MOPS, the composition of the Board of Directors shall be determined by taking diversity into consideration. And that an appropriate policy on diversity based on the company's business operations,

operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- a. Basic requirements and values: Gender, age, nationality, and culture.
- b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

The members of the Board of Directors should be diversified and possess the below skills:

- | | |
|--|-------------------------------|
| a. Operational judgement skills. | e. Industry knowledge. |
| b. Accounting and financial analysis skills. | f. Global market view. |
| c. Operational management skills. | g. Leadership skills. |
| d. Crisis management skills. | h. Decision marketing skills. |

Please refer below table for the experience and professional ability of the members of the Board of Directors.

Member \ Items	Position	Age	Industry Knowledge				
			Manufacturing	Technical Research	Finance	Management	Sales
Hsieh, Jung-Hui	Chairman	61-70	v	v		v	v
Huang, Teng-Shih	Director	61-70	v	v		v	v
Li, Mu-Wen		61-70	v	v		v	v
Du, King-Ling		71-80	v	v		v	
Chang, Jun-En	Independent Director	71-80		v			
Pai, Pei-Lin		61-70		v		v	
Chen, Yu-Hsuan		41-50			v	v	

(Continue)

Member \ Items	Basic Component		Professional Competency			
	sex	Independent Director service year	Engineering	Business Management	Finance & Accounting	Energy & Environment
Hsieh, Jung-Hui	M		v			
Huang, Teng-Shih	M		v	v		
Li, Mu-Wen	M		v			
Du, King-Ling	M		v		v	
Chang, Jun-En	M	6	v			v
Pai, Pei-Lin	M	12	v	v		
Chen, Yu-Hsuan	F	3			v	

The Company has seven directors, including three independent directors, and one of the independent directors is female. Directors who act concurrently as employees account for about 43% of all directors. The professional backgrounds of the Board

Members include management, scientific/engineering, financial, environmental fields, etc., and their profiles cover chairman, managerial officers, and professors. The Board Members with diverse knowledge, including industry and academic fields, match the Company's diversity goal. Therefore, Directors can provide professional opinions in different aspects, beneficial to the company's business performance and management efficiency.

Specific management objectives of the company's diversity policy:

Management Perspective	Objectives	Achievement	Proportion of all directors
Female Director	at least 1 person	1 person	14%
Speciality in Finance and Accounting	at least 1 person	2 person	29%
Speciality in ESG	at least 1 person	1 person	14%
Number of independent directors	3 person	3 person	43%

ii. Independence of the Board of Directors:

The company has set up 3 independent directors, accounting for 43% of all directors. The company has obtained the declaration that it complies with the eligibility requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" from all independent directors, and meets the independence requirements. The independent directors of the company and their spouses, minor children and Nominee Arrangement do not hold or hold in the name of others more than 1% of the company's total issued shares or are directors, supervisors, or employees of the top five legal person shareholders of the company.

After reviewing the filing documents of insider shareholding and the above declaration, neither the directors nor independent directors of the company have any of the conditions stipulated in Article 26-3, Item 3 and Item 4 of the Securities and Exchange Act.

(2) Information of President, Vice President, Associate Vice President, Supervisors of Departments and Branches

April 27, 2024

Job Title	Nationality	Name	Gender	Date Elected (Assumed Position)	Shareholding		Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Main Experience (educational background)	Current Adjunct Positions at Other Companies	Manager With Relationship of Spouse or Within the Second Degree of Kinship			Remark
					Shares Held	%	Shares Held	%	Shares Held	%			Job Title	Name	Relationship	
Chairman and President	R.O.C.	Hsieh, Jung-Hui	Male	2011/01/14	7,369,032	7.33%	524,967	0.52%	0	0.00%	-Bachelor of Civil Engineering, National Cheng Kung University -Standard Pallet International Co., Ltd. Factory Manager/Responsible Person	-Director of Subsidiaries GP, GPT, GRW, GRP, and TNR -Chairman of Subsidiaries GP, GPT, GRW, GRP, TNR, and HM	None	None	None	None
Chief Executive Officer and Chief Operating Officer	R.O.C.	Huang, Teng-Shih	Male	2013/05/13 2012/07/07	135,157	0.13%	0	0.00%	0	0.00%	-MBA, University of Ramkhamhaeng, Thailand -Bachelor of Water Resources Engineering, Feng Chia University -Evergreen Construction Corporation Ltd., Senior Engineer -Procar Co., Ltd., Sales Engineer	-Director of Subsidiaries GP, GPT, GRW, GRP, TNR, and TDICS -Chairman and CEO of Subsidiary TDICS -CEO of Subsidiary HM	None	None	None	None
Chief Sales Officer	R.O.C.	Li, Mu-Wen	Male	2012/07/07	306,748	0.31%	0	0.00%	0	0.00%	- Master of Structural Engineering, The University of Arizona -Bachelor of Civil Engineering, National Cheng Kung University - Continental Engineering Corp./Valuation Manager/Coordination Manager	-CSO of Subsidiaries GP, GPT, GRW, GRP, and TNR	None	None	None	None
Chief Financial Officer	R.O.C.	Wang, Sheng-Feng	Male	2014/03/29	298,106	0.30%	214,640	0.21%	0	0.00%	-Bachelor of Accounting, Tunghai University -Samya Technology Co., Ltd./CFO	-CFO of Subsidiaries GP, GPT, GRW, GRP, TNR, HM, and TDICS -CEO and COO of Subsidiaries GP, GPT, GRW, GRP, and TNR	None	None	None	None
Accounting Manager and Corporate Governance Officer	R.O.C.	Wang, Ping-Hsun	female	2022/12/28	94,626	0.09%	0	0.00%	0	0.00%	-Bachelor of Accounting, Aletheia University -Deloitte Taiwan/Assistant Manager, Audit and Assurance Dept	-Director of Subsidiaries TDICS	None	None	None	None

3. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents for the Most Recent Fiscal Year

(1) Remuneration of Directors (including Independent Directors)

Unit: In Thousands of New Taiwan Dollars

Job Title	Name	Remuneration of Directors								Sum of A+B+C+D and ratio to net income		Relevant Compensation Received by Adjunct Employees								Sum of A+B+C+D+E+F+G and ratio to net income		Whether Compensation From Investees Other Than Subsidiaries or parent company is Received		
		Remuneration Paid (A)		Retirement Pension (B)		Remuneration of Directors (C)		Expenses for Execution of Business (D)				Salaries, Bonus, and Special Disbursement (E)		Retirement Pension (F)		Employees' Remuneration (G)								
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities			
																		Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Hsieh, Jung-Hui	0	0	0	0	0	0	0	0	0/0%	0/0%	2,549	4,429	0	0	0	0	0	0	0	0	2,549/(0.41%)	4,429/(0.71%)	None (Note)
Director	Chin Tai Holding Inc. Representative: Li, Mu-Wen	0	0	0	0	0	0	0	0	0/0%	0/0%	1,737	2,917	0	0	0	0	0	0	0	0	1,737/(0.28%)	2,917/(0.47%)	
Director	Forward Thinking Limited Representative: Huang, Teng-Shih	0	0	0	0	0	0	0	0	0/0%	0/0%	2,130	3,693	0	0	0	0	0	0	0	0	2,130/(0.34%)	3,693/(0.59%)	
Director	Park Island Enterprises Limited Representative : Du, King-Ling	350	350	0	0	0	0	1,650	1,650	2,000/(0.32%)	2,000/(0.32%)	0	0	0	0	0	0	0	0	0	0	2,000/(0.32%)	2,000/(0.32%)	
Independent Director	Chang, Jun-En	350	350	0	0	0	0	0	0	350/(0.06%)	350/(0.06%)	0	0	0	0	0	0	0	0	0	0	350/(0.06%)	350/(0.06%)	
Independent Director	Pai, Pei-Lin	350	350	0	0	0	0	0	0	350/(0.06%)	350/(0.06%)	0	0	0	0	0	0	0	0	0	0	350/(0.06%)	350/(0.06%)	
Independent Director	Chen, Yu-Hsuan	350	350	0	0	0	0	0	0	350/(0.06%)	350/(0.06%)	0	0	0	0	0	0	0	0	0	0	350/(0.06%)	350/(0.06%)	
1. Directors’ remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent: The Company pursuant the compensation committee charter, article 7, to review the salary and compensation of directors periodically, considering their and the factors of the overall operating outcome of the Company and competitive environment, etc. along with the consideration of the external and general industry standard for the determination of such remuneration. The Committee shall deliberate before the matter is submitted to the Board of Directors for discussion. The duties of independent directors of the Company are reviewing functional committee and Proposals from the Board of Directors. Independent directors shall investigate the operational and financial conditions of the company from time to time, and supervise the implementation of the operations of the company, and the performance of duties by directors and managerial officers. The Company maintains D&O Insurance for its independent directors. In short, the Company assessing the compensation system through annual profitability and the contribution to the Company’s operation from individual directors. 2. Other than the above table disclosed, please specify directors' remuneration from providing services in the most fiscal year (e.g. serving as a non-employee consultant to the parent company/any consolidated entities/investee companies):None Note: Although the Company's ownership in GRP and TNR is less than 50%. The Company is deemed able to control these investees and includes these investees in the consolidated financial statements.																								

(2) Remuneration of Supervisors: Since the Company has no supervisors, this is not applicable.

(3) Remuneration of President and Vice Presidents

Unit: In Thousands of New Taiwan Dollars

Job Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Disbursement (C)		Employees' Remuneration (D)				Sum of A+B+C+D and ratio to net income (%)		Compensation From Investees Other Than Subsidiaries or parent company is Received
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman and President	Hsieh, Jung-Hui	2,069	3,624	0	0	480	804	0	0	0	0	2,549/(0.41%)	4,428/(0.71%)	None
Chief Executive Officer and Chief Operating Officer	Huang, Teng-Shih	1,812	3,109	0	0	318	584	0	0	0	0	2,130/(0.34%)	3,693/(0.59%)	None
Chief Sales Officer	Li, Mu-Wen	1,437	2,401	0	0	300	517	0	0	0	0	1,737/(0.28%)	2,918/(0.47%)	None
Chief Financial Officer	Wang, Sheng-Feng	3,166	4,097	0	0	882	1,098	0	0	0	0	4,048/(0.65%)	5,195/(0.83%)	None

(4) Remuneration paid to each of its top five management personnel

Unit: In Thousands of New Taiwan Dollars

Job Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Disbursement (C)		Employees' Remuneration (D)				Sum of A+B+C+D and ratio to net income (%)		Compensation From Investees Other Than Subsidiaries or parent company is Received
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman and President	Hsieh, Jung-Hui	2,069	3,624	0	0	480	804	0	0	0	0	2,549/ (0.41%)	4,428/ (0.71%)	None
Chief Executive Officer and Chief Operating Officer	Huang, Teng-Shih	1,812	3,109	0	0	318	584	0	0	0	0	2,130/ (0.34%)	3,693/ (0.59%)	None
Chief Sales Officer	Li, Mu-Wen	1,437	2,401	0	0	300	517	0	0	0	0	1,737/ (0.28%)	2,918/ (0.47%)	None
Chief Financial Officer	Wang, Sheng-Feng	3,166	4,097	0	0	882	1,098	0	0	0	0	4,048/ (0.65%)	5,195/ (0.83%)	None
Accounting Manager and Corporate Governance Officer	Wang, Ping-Hsun	1,167	1,851	0	0	190	289	0	0	0	0	1,357/ (0.22%)	2,140/ (0.34%)	None

Employees' Profit-Sharing Bonus Paid to Management Team

Unit: In Thousands of New Taiwan Dollars

	Job Title	Name	Stock Amount	Cash Amount	Total	% of Total to Net Income (%)
Managerial Officers	Chairman and President	Hsieh, Jung-Hui	0	0	0	0
	Chief Executive Officer and Chief Operating Officer	Huang, Teng-Shih				
	Chief Sales Officer	Li, Mu-Wen				
	Chief Financial Officer	Wang, Sheng-Feng				
	Accounting Manager and Corporate Governance Officer	Wang, Ping-Hsun				

(5) Separately compare and describe total remuneration, as a percentage of net income stated in the Company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, president, and vice president, and analyze and describe remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

A. Analysis of total remuneration of Directors, the President and Vice Presidents, as a percentage of net income stated in the Company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements.

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2022				2023			
	Total Remuneration		% of Net Income (%)		Total Remuneration		% of Net Income (%)	
	The Company	All Companies in the Consolidated Statements	The Company	All Companies in the Consolidated Statements	The Company	All Companies in the Consolidated Statements	The Company	All Companies in the Consolidated Statements
Director	7,850	12,262	(1.00)%	(1.56)%	9,466	14,089	(1.52)%	(2.26)%
President and Vice Presidents	10,474	15,994	(1.33)%	(2.03)%	10,464	16,234	(1.68)%	(2.60)%

The company's management remuneration is based on the "Remuneration Policy of Management Personnel," which evaluates individual performance, the company's operating results, and other remuneration-related variables. Due to the company's losses in 2023, the remuneration of directors and employees was not estimated. However, the appointment of an executive director in 2023 leads to an overall increase in remuneration compared to last year. Additionally, the increase in the total remuneration of the president and the vice president was mainly due to the rise in the Thai baht to NT Dollar exchange rate from 1: 0.8555 to 1: 0.9005. Therefore, the difference between the two periods was caused by the impact of exchange rate conversion.

B. Policy, standard, and combination for payment of remuneration, establishment of procedure of remuneration, and correlation between the business performance and future risk.

Item	Director	President and Vice Presidents
Policy, standard, and combination for payment of remuneration	In accordance with the articles of association of the Company, if there is surplus profit for the year, the Company shall set aside no less than zero point one per cent (0.1%) of the pre-tax profit as employee compensation and no more than three per cent (3%) of the pre-tax profit as compensation for the Directors. However, if the Company has accumulated losses in previous years, it shall reserve an amount of the pre-tax profit for offsetting the accumulated losses. The employee compensation shall be distributed in the form of stock or cash and may be distributed to employees of the Company's Subsidiaries, if such employees satisfy certain qualifications as may be resolved by the Board from time to time. The compensation of the Directors and managerial officers may be decided by the Board by reference to recommendation made by the Compensation Committee (if established) and the standard generally adopted by other enterprises in the same industry. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally. A Director is also entitled to distribution of profits of the Company if permitted by the Law, the Applicable Public Company Rules, the service agreement or other similar contract that he/she has entered into with the Company.	
Establishment of procedure of remuneration	The Company pursuant the compensation committee charter, article 7, to review the salary and compensation of directors periodically, considering their and the factors of the overall operating outcome of the Company and competitive environment, etc. along with the consideration of the external and general industry standard for the determination of such remuneration. The Committee shall deliberate before the matter is submitted to the Board of Directors for discussion. The evaluation scope includes various execution targets related to primary job responsibilities, such as financial performance indicators and talent training, quality, and risks.	
Correlation between the business performance and future risk	In accordance with the articles of association of the Company, the Company shall set aside the annual profit for compensation which indicates that the compensation correlates with operational performance. The compensation committee periodically assesses the compensation system through the "Director Compensation Policy", directors' contribution to the Company's operation and references performance appraisal results from directors by "Self-Evaluation or Peer Evaluation of the Board of Directors".	According to the "Compensation Manager Policy", the variable salary for managerial officers is based on their performance which in many perspectives (e.g. financial targets, talent cultivation and quality risk etc.), and relevant overall business outcome of the Company and competitive environment of the job position as well as the standards adopted in the same industry are considered for the determination of remuneration.

C. The Company established the Audit Committee on 2012/07/07; it is not necessary to disclose information of supervisors.

4. Implementation of Corporate Governance

(1) Board of Directors Implementation Status:

A total of eight (A) meetings of the Board of Directors were held in the most recent year.

The attendance of director and supervisor were as follows:

Job Title	Name	Attendance in Person (B)	Number of Attendances by Proxy	Actual Attendance Rate 【B/A】 (Note)	Remarks
Chairman	Hsieh, Jung-Hui	7	1	88%	2021/08/11 Re-elected
Director	Chin Tai Holding Inc. Representative: Li, Mu-Wen	8	0	100%	
Director	Forward Thinking Limited Representative: Huang, Teng-Shih	8	0	100%	
Director	Park Island Enterprises Limited Representative: Du, King-Ling	6	2	75%	
Independent Director	Chang, Jun-En	8	0	100%	
Independent Director	Pai, Pei-Lin	7	1	88%	2021/08/11 Newly-appointed
Independent Director	Chen, Yu-Hsuan	8	0	100%	

Note: The actual attendance rate (%) is calculated according to the number of the Meetings convened and the number of his/her actual attendance during his/her term of office.

Other matters required to be recorded:

A. Where the implementation of a Board Meeting is subject to one of the following, the board meeting date, session, proposal content, opinion of all independent directors, and Company's handling for the opinions of independent directors shall be described:

(a) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee; theretofore, According to Article 14-5 of the Securities and Exchange Act, the requirements of Article 14-3 are not applicable. Please refer to the description of (2) Auditor Committee Operation Status or Supervisor Participating in the Board of Directors' Meeting Operation Status of 4. Corporate Governance Status of III. Corporate Governance Report of this Annual Report.

(b) Except for the aforementioned matters, other resolutions of Board Meetings subject to dissenting opinions or qualified opinions and equipped with records or written statements: None.

B. For the execution status of recusal of Directors due to conflicts of interest, the names of the Directors, proposal content, reasons of recusal, and participation in voting shall be described

Date/ Session No.	Name of Director	Proposal Content	Reason for Recusal of Conflict of Interest	Voting Participation Status
2023/ 11/22 2023 6 th Meeting	Hsieh, Jung-Hui Huang, Teng-Shih Li, Mu-Wen	Proposal for Manager and Directors as Employee, Subscribe for 2023 Cash Capital Increase.	Directors Hsieh, Jung-Hui, Huang, Teng- Shih, and Li, Mu-Wen are on the name list for the 2023 cash capital increase subscription	A format of separate resolution has been put in this proposal in relation to the 2023 cash capital increase subscription of each director as employee. Director Hsieh Jung-Hui, Director Huang, Teng-Shih, and Director Li Mu-Wen have recused from discussion and voting due to conflicts of interest in the case. Director Hsieh Jung-Hui appointed Director Du Jinling as acting chairman during the recusal. Except for the directors who had personal interests in this case and recused themselves during the discussion and resolution, the chairman or acting chairman consulted the other directors present, and the case was passed without objection.
	All seven (independent) directors in total	Proposal for 2024 Remuneration of Directors and Managerial Officers	The proposal for distribution of remuneration of directors and all directors of the Company having conflict of interest, and Hsieh, Jung-Hui, Huang, Teng -Shih, and Li, Mu-Wen as the managerial officers of the Company.	Salary and remuneration conditions of the Company's directors are executed by the Directors' Remuneration Policy of the Company; there is no need for recusal or conflict of interest. In addition, a format of separate resolution has been put in this proposal in relation to the remuneration of each managerial personnel. Director Hsieh Jung-Hui, Director Huang, Teng-Shih, and Director Li, Mu-Wen have recused from discussion and vote of their own remuneration proposal due to conflicts of interest. Director Hsieh appointed Director Du, King-Ling as acting chairman during the recusal. Except for the directors who had personal interests in this case and recused themselves during the discussion and resolution, the chairman or acting chairman consulted the other directors present, and the case was passed without objection.

C. TWSE/GTSM Listed Companies shall disclose the evaluation cycles, period, scope, method and content of the evaluation of the board as a whole, individual directors and functional

committees.

Implementation of internal performance evaluation

Evaluation Cycles : Once a year.

Evaluation Period : The Board of Directors of the Company passed the procedures of performance evaluation of the Board of Directors on 2019/12/25. The most recent annual internal performance evaluation period started from 2022/10/01 to 2023/10/31.

Scope of Evaluation : The Board of Directors as a whole, individual board members and each functional committee.

Method of Evaluation : Internal evaluation of the board and functional committees and self-evaluation by the board members of themselves.

Evaluation indicators :

- (a) For the Board of Directors: With five aspects and 45 indicators in total which includes participation in the operation of the company; improvement of the quality of the Board of Directors' decision making; composition and structure of the Board of Directors; election and continuing education of the directors; and internal control.
- (b) For Individual board members: With six aspects and 23 indicators in total which includes Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
- (c) For each functional committee: With five aspects and 24 indicators in total which includes participation in the operation of the company; awareness of the duties of a committee member; improvement of the quality of the functional committee's decision making; composition of the committee and election; ; and internal control.

Evaluation results and improvement :

- (a) The company ensures that the CPA communicates with all directors but currently does not facilitate individual communication between the CPA and independent directors. In the future, we will make appropriate arrangements based on the agenda.
- (b) Overall, the Board of Director and functional committee members understand the Company's goals and missions and their respective duties, also considering the Company's development and passionately contribute their professional knowledge; the Board of Directors and functional committees have functioned properly in conformity with corporate governance principles. All committees have duly performed their duties and supported the board and protected the interests of shareholders.
- (c) The evaluation results of 2023 have been submitted to the Board of Directors of the Company on 2023/11/22.

Implementation of external performance evaluation

Evaluation Cycles : At least every three years.

Evaluation Period : The Board of Directors of the Company passed the Board Performance Evaluation Measures on 2019/12/25. The most recent annual external performance evaluation period started from 2021/10/01 to 2022/09/30.

Scope of Evaluation : The Board of Directors as a whole, individual board members and

each functional committee.

Method of Evaluation : External assessment agencies conduct assessments and provide assessment results and suggestions through interviews, actual participation in meetings, and review of self-assessment content, previous meeting minutes and internal regulations and other written documents.

Evaluation indicators :

- (a) For the Board of Directors: With five aspects in total which includes participation in the operation of the company; improvement of the quality of the Board of Directors' decision making; composition and structure of the Board of Directors; election and continuing education of the directors; and internal control.
- (b) For Individual board members: With six aspects in total which includes Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
- (c) For each functional committee: With five aspects in total which includes participation in the operation of the company; awareness of the duties of a committee member; improvement of the quality of the functional committee's decision making; composition of the committee and election, and internal control.

Evaluation results and suggestion :

(a) Suggestion

- i. Due to the epidemic situation, the newly elected independent directors have not had the opportunity to visit the company's actual operating premises in Thailand. Therefore, it is suggested that after the epidemic subsides, visit arrangements should be made for the newly elected independent directors to understand the company's operations.

Company response : The visits will be arranged according to the situation after the epidemic.

- ii. The Company's products are stated as green materials, and it has attached significant consideration to the issue of sustainability and environmental protection. However, to more advantageously seize the opportunity and challenge in the future, it is suggested that the Company can cooperate with future development strategies and corporate governance goals, and add relevant functional committees, such as sustainable Committees, risk management committees, nomination committees, etc., strengthen the management mechanism and give full play to the demonstration effect of corporate governance benchmark enterprises.

Company response : Employees from several departments have been assigned as the ESG team member, and the ESG team dedicates to coordinating and pushing the implementation of sustainable development of the Company. The Company published the 2021 sustainability report on 2022/09/30.

- iii. The Company's Board of Directors and functional committees have fully communicated and discussed the matters that shall be addressed in related laws and regulations of the competent authorities. It is suggested that the chairperson of the Board of Directors or the functional committee can determine the work plans and goals for each term or every year, along with the consensus of the directors. Therefore, the supervision and management roles of the Company's Board of Directors and functional committees can be strengthened.

Company response : Communicated with the directors to set the meeting time for the next

year, and provided a simple agenda for the directors for reference.

(b) Evaluation results

- i. The Company's general directors consist of three managing directors, the other specializes in science and engineering, and the three independent directors are professionals in technology, sales and management, and environmental protection. They understand the Company's operation and the mid and long-term development goals well. The assembly of directors also aligns with the diversification needed for the Company's development.
 - ii. The Company can provide complete information on the meeting of the Board of Directors or functional committees in advance. Directors can be aware of the agenda and fully understand them beforehand. The input of outside directors brings rich thoughts and professional knowledge sharing into the discussion. The convenor holds the meeting actively, proposals are discussed in depth and seeks to make an agreement to form a good discussion culture of the meetings.
 - iii. The company respects every director very much, and every director can contribute their profession and express opinions on the Board of Directors and functional committees, giving full play to the role of supervising and guiding the company.
- (c) The evaluation results of 2022 have been submitted to the Board of Directors of the Company on 2022/12/28.

D. Assessment on objective and execution status of enhancement of the Board Meeting function in the current year and the most recent year:

- (a) The Company officially established the Audit Committee on 2012/07/07. The Committee shall exercise the powers conferred by the Securities and Exchange Act, the Company Act, and any other law.
- (b) The Company officially established the Compensation Committee on 2012/07/07. The Committee shall assist the Board of Directors to assess and set the compensation of directors and managerial officers; establishing and periodically reviewing the policies, systems, standards, and structure for the compensation of the directors, and managerial officers of the Company.
- (c) The Company has established the Rules of Procedure for Board of Directors Meetings of the Company according to the "Regulations Governing Procedures for Board of Directors Meetings of Public Companies".
- (d) The Board of Directors of the Company passed the Board Performance Evaluation Measures on 2019/12/25. Internal evaluate directors' performance every year since 2020 and external evaluate directors' performance every three years since 2022.
- (e) The Company provides corporate governance-related courses for directors to improve their acknowledgement and practice of corporate governance from time to time.
- (f) The Company maintains D&O Insurance for its directors.
- (g) Amend the related policies in accordance with relevant laws and regulations and the Company practice.
- (h) The Board of Directors appointed the Corporate Governance Officer responsible for corporate governance matters and stipulated its powers on 2022/12/28. Also, the Company allocated appropriate personnel to assist with corporate governance-related affairs and to arrange continuing education courses by the regulations.
- (i) Arrange meetings with the CPAs to discuss and understand the audit plan, audit findings, financial report preparation, and latest accounting regulations every year; the internal audit manager submits the annual audit plan for discussion, provides monthly audit reports for independent directors, and submits internal audit execution and findings for review in each

meeting with an explanation if necessary.

(2) Audit Committee Implementation Status and Supervisor Participating Board Meeting Status

A. Audit Committee Implementation Status Information:

There were six (A) Audit Committee meetings convened in the most recent year, and the attendance status of the independent directors is as follows:

Job Title	Name	Attendance in Person (B)	Attendances by Proxy	Actual Attendance Rate (B/A)	Note
Independent Director	Chang, Jun-En	5	1	83%	2012108/11 Re-elected
Independent Director	Pai, Pei-Lin	5	1	83%	
Independent Director	Chen, Yu-Hsuan	6	0	100%	2021/08/11 Newly-appointed

Other matters required to be recorded:

- (a). If any of the following circumstances exists, specify the audit committee meeting date, meeting session, meeting proposals, objections, reservations or significant suggestions expressed by the independent directors, resolutions, and the Company's response to the Audit Committee's opinions:
- (i) Matters specified in Article 14-5 of the Securities and Exchange Act: Please refer to (11) Major Resolutions Made by the Shareholders' Meeting and the Board of Directors in the most recent year and up till the publication date of 4. Corporate Governance Operation Status of III. Corporate Governance Report of this Annual Report.
 - (ii) Except for the aforementioned matter, other resolutions not approved by the Audit Committee but with the consent of more than two-thirds of all Directors: None.
- (b). For the execution status of recusal of Directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal, and participation in voting shall be described: The Company is not subject to proposals requiring recusal of independent directors for conflict of interest.
- (c). Communication between Independent Directors with Internal Audit Manager and CPA: The internal audit manager submits an audit report to the independent directors monthly and proposes the audit plan to the audit committee for discussion annually. In addition, the internal audit manager submits the implementation status report of the internal audit and business operating for the committee to review in every meeting and elucidate when necessary. Independent directors did not make comments on the above contents. The Company arranges the committee members comprehend and communicate with the CPA three times a year based on the audit plan, audit findings, financial report preparation and latest published accounting regulations, etc., on 2023/03/22, 2023/08/23 and 2023/12/27. In addition, independent directors fully discussed with the CPAs and internal audit manager on matters such as 1. Description and discussion of the company's latest and future operating performance 2. The repayment plan for the syndicated loan 3. The hedging strategies against US dollar exchange losses 4. Schedule for Sustainable information disclosure on 2023/12/27. None of the

independent directors raised any objections.

(d).Audit Committee annual major matters and operation status

(i) Annual major matters

- | | |
|---|---|
| • Regulatory Compliance. | • Material Loaning of Funds and Making of Endorsements/Guarantees. |
| • Review financial reports. | • Material asset or derivative transactions. |
| • Offering or issuance of securities. | • Appointment, dismissal of financial, accounting and internal audit officer. |
| • Appointment, dismissal of CPA. | • Evaluation of the effectiveness of the internal control system. |
| • Regularly communicate with CPA on the auditing of financial statements. | • Regularly communicate the results of the audit report with the internal auditor based on the annual audit plan. |

(ii) Operation status: Please refer to (11) Major Resolutions Made by the Shareholders' Meeting and the Board of Directors in the most recent year and up till the publication date of 4. Corporate Governance Operation Status of III. Corporate Governance Report of this Annual Report.

B. The Company has no supervisors.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
A. Does Company follow the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	V		The Company has established “the Corporate Governance Best Practice Principles” and disclosed in the MOPS and the company's website. In order to construct an effective corporate governance structure, to protect the interests of the shareholders, to strengthen the functions of the Board of Directors, to exploit the functions of independent directors, to respect the interests of stakeholders, and to improve information transparency, etc. in order to achieve important corporate governance principles. In addition, the Company has established relevant corporate governance principles, including such as: “Rules of Procedures for Shareholders Meetings”, “Procedures and Rules of Board of Directors Meeting”, “Regulations Governing Procedure for Board of Directors Meetings”, “Regulations for Election of Directors”, “Rules Governing the Scope of Powers of Independent Directors”, “Audit Committee Charter”, “Regulations Governing Audit Committee Operation”, “Remuneration Committee Charter”, “Regulations Governing Remuneration Committee Operation”, “Regulations Governing Establishment of Internal Audit Systems”, “Code of Ethical Conduct”, “Ethical Corporate Management Best Practice Principles”, “Corporate Social Responsibility Best Practice Principles”, “Procedures for Acquisition and Disposal of Assets”, “Policies and Procedures for Loaning of Funds and Making of Endorsements and Guarantees accordingly”, “Regulations on Governing Related Party Transactions”, “Subsidiary Supervision and Management Regulations.”, “Management Operation Measures for Internal Material Information Processing and Prevention of Insider Trading”. In addition, the Company releases material information of the Company according to relevant laws, and periodically discloses financial and non-financial information. The Board of Directors also follows the responsibilities assigned by the shareholders in order to lead the operation of the Company and to effectively achieve the management function of supervising the management level.	No major difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
B. Company's Ownership Structure and Shareholders' Equity (a) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (b) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (c) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (d) Does the company establish internal rules against insiders	V		(a) The Company has entrusted a professional stock agency institution to handle the stock affairs. In addition, it has hired a spokesperson, deputy spokesman, and contact person for Investor Relationships to address the suggestions, doubts, disputes, and litigation matters of shareholders and actively handle shareholders' affairs and relevant departments depending upon the needs. (b) The company shall retain at all times a register of major shareholders with controlling power, and of the persons with ultimate control over those major shareholders and maintains excellent relationships with major shareholders. (c) The Company has established relevant control mechanisms in the internal control system of the Company, “the Corporate Governance Best Practice Principles”, “Subsidiary Supervision and Management Regulations.”, “Regulations on Governing Related Party Transactions” according to the laws and audits regularly. (d) i. The directors of the company handed in a declaration of willingness to comply with the SEC law when they were elected.	No major difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No	Abstract Illustration										
trading with undisclosed information?			ii. Every employee has to sign a non-disclosure agreement when onboarding. iii. The Company has established the “Management Operation Measures for Internal Material Information Processing and Prevention of Insider Trading” and “Code of Ethical Conduct” in order to regulate all employees, managerial officers, and directors of the Company as well as any person who has learned the information by reason of occupational or controlling relationship to prevent any conduct possibly involving insider trading, and the Company also implements audits and educational promotion periodically. iv. In addition, the Company arranges related courses in our orientation training for new employees and managerial officers. v. The company arrange the BOD schedule for the next years in advance and reminds directors not to trade in the company's stock during the closed period Board of Directors. The company updates the latest laws and regulations for insiders and arranges relevant courses every year, in order to avoid directors violating the norm. <table><tr><th>Participant</th><th>Course Topics</th><th>Hours</th></tr><tr><td>Huang, Teng-Shih / Li, Mu-Wen</td><td>Related regulations: legal framework and case study analysis of insider trading</td><td>3 hrs.</td></tr><tr><td>Du, King-Ling / Chen, Yu-Hsuan</td><td>Scope, restrictions and risk analysis of insider equity transactions</td><td>3 hrs.</td></tr></table>	Participant	Course Topics	Hours	Huang, Teng-Shih / Li, Mu-Wen	Related regulations: legal framework and case study analysis of insider trading	3 hrs.	Du, King-Ling / Chen, Yu-Hsuan	Scope, restrictions and risk analysis of insider equity transactions	3 hrs.	
Participant	Course Topics	Hours											
Huang, Teng-Shih / Li, Mu-Wen	Related regulations: legal framework and case study analysis of insider trading	3 hrs.											
Du, King-Ling / Chen, Yu-Hsuan	Scope, restrictions and risk analysis of insider equity transactions	3 hrs.											
C. Composition and Responsibility of the Board of Directors (a) Does the Board establish a diversity policy and specific management objectives, and how	V		(a) The composition of the members of the Board of Directors of the Company considers the operation of the Company, business model, and development requirements. According to the “Corporate Governance Best Practice Principles” disclosed on the Company’s website and MOPS, the composition of the board of directors shall be determined by taking diversity into consideration. And that an appropriate policy on	(a) No major difference.									

Evaluation Item	Implementation Status												Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																																																																																								
	Yes	No	Abstract Illustration																																																																																																																																		
does the implementation?			diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: i. Basic requirements and values: Gender, age, nationality, and culture. ii. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience. The members of the Board of Directors should be diversified and possess the below skills: i. Operational judgement skills. ii. Operational management skills. iii. Crisis management skills. iv. Leadership skills. v Global market view. vi Accounting and financial analysis skills. vii Decision marketing skills. viii Industry knowledge. Please refer below table for the experience and professional ability of the members of the Board of Directors. <table><tr><th rowspan="2"> Items Member </th><th rowspan="2">Position</th><th rowspan="2">Age</th><th colspan="2">Basic Component</th><th colspan="5">Industry Knowledge</th><th colspan="4">Professional Competency</th></tr><tr><th>sex</th><th>Independent Director service year</th><th>Manufaturing</th><th>Technical Research</th><th>Finance</th><th>Managament</th><th>Sales</th><th>Engineering</th><th>Business Management</th><th>Finance & Accounting</th><th>Energy & Environment</th></tr><tr><td>Hsieh, Jung-Hui</td><td>Chairman</td><td>61-70</td><td>M</td><td></td><td>v</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td></td><td></td><td></td></tr><tr><td>Huang, Teng-Shih</td><td rowspan="3">Director</td><td>61-70</td><td>M</td><td></td><td>v</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>Li, Mu-Wen</td><td>61-70</td><td>M</td><td></td><td>v</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td></td><td></td><td></td></tr><tr><td>Du, King-Ling</td><td>71-80</td><td>M</td><td></td><td>v</td><td>v</td><td></td><td>v</td><td></td><td>v</td><td></td><td>v</td><td></td></tr><tr><td>Chang, Jun-En</td><td rowspan="3">Independent Director</td><td>71-80</td><td>M</td><td>6</td><td></td><td>v</td><td></td><td></td><td></td><td>v</td><td></td><td></td><td>v</td></tr><tr><td>Pai, Pei-Lin</td><td>61-70</td><td>M</td><td>12</td><td></td><td>v</td><td></td><td>v</td><td></td><td>v</td><td>v</td><td></td><td></td></tr><tr><td>Chen, Yu-Hsuan</td><td>41-50</td><td>F</td><td>3</td><td></td><td></td><td>v</td><td>v</td><td></td><td></td><td></td><td>v</td><td></td></tr></table>												Items Member	Position	Age	Basic Component		Industry Knowledge					Professional Competency				sex	Independent Director service year	Manufaturing	Technical Research	Finance	Managament	Sales	Engineering	Business Management	Finance & Accounting	Energy & Environment	Hsieh, Jung-Hui	Chairman	61-70	M		v	v		v	v	v				Huang, Teng-Shih	Director	61-70	M		v	v		v	v	v	v			Li, Mu-Wen	61-70	M		v	v		v	v	v				Du, King-Ling	71-80	M		v	v		v		v		v		Chang, Jun-En	Independent Director	71-80	M	6		v				v			v	Pai, Pei-Lin	61-70	M	12		v		v		v	v			Chen, Yu-Hsuan	41-50	F	3			v	v				v	
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(b)Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee? (c)Does the company establish a standard to measure the			The Company has seven directors, including three independent directors, and one of the independent directors is female and directors with employee status account for about 43% of all directors. The professional backgrounds of the Board Members include management, scientific/engineering, financial, environment fields, etc., and their profiles cover chairman, managerial officers, and professors. The Board Members with diverse knowledge, including industry and academic fields, match the Company's diversity goal. Therefore, Directors can provide professional opinions in different aspects, beneficial to the company's business performance and management efficiency. Specific management objectives of the company's diversity policy: <table><tr><th>Management Perspective</th><th>Objectives</th><th>Achievement</th><th>Proportion of all directors</th></tr><tr><td>Female Director</td><td>at least 1 person</td><td>1 person</td><td>14%</td></tr><tr><td>Finance and Accounting Major</td><td>at least 1 person</td><td>2 person</td><td>29%</td></tr><tr><td>ESG-related Major</td><td>at least 1 person</td><td>1 person</td><td>14%</td></tr><tr><td>Number of independent directors</td><td>3 person</td><td>3 person</td><td>43%</td></tr></table>	Management Perspective	Objectives	Achievement	Proportion of all directors	Female Director	at least 1 person	1 person	14%	Finance and Accounting Major	at least 1 person	2 person	29%	ESG-related Major	at least 1 person	1 person	14%	Number of independent directors	3 person	3 person	43%	(b) No major difference. (c) No major difference.
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performance of the Board, and implement it annually? And submitting the results of performance assessments to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination and additional office term. (d) Does the company regularly evaluate the independence of CPAs?			them as a reference in determining compensation and nomination for individual directors. Please refer to (1) Board of Directors Implementation Status of 4. Corporate Governance Operation Status of III. Corporate Governance Report in this Annual Report for 2023 performance evaluation criteria and results. (d) The Company assesses the suitability of the CPA yearly; The Company shall obtain the CPA independence declaration and referencing AQI results, then submit to the Board of Directors together. The annual assessment has submitted to the Board of Directors on 2023/03/22 and 2024/03/13, respectively. The criteria and major content are listed below: Professionality-the service quality and timeliness from the CPA meet the needs. Independency-the CPA don't hold shares of the Company or any affiliate of the Company. Interest avoidance-the CPA does not co-invest or share interests with the Company or any affiliate of the Company. Rotation-As of the latest certification, the CPA has never provided the Company with the audit service for consecutive 7 years.	(d) No major difference.
D. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of	V		(a) On December 28, 2022, The Board of Directors appointed the Corporate Governance Officer responsible for corporate governance matters. Also, the Company allocated appropriate personnel to assist with corporate governance-related affairs. The Company will arrange courses before the required period by law.	No major difference.

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corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors’ and supervisors’ compliance of law, handling matters related to board meetings and shareholders’ meetings according to law, and recording minutes of board meetings and shareholders’ meetings)?			<table><tr><th>Date</th><th>Organizer</th><th>Course</th><th>Hours</th></tr><tr><td>2023/06/02</td><td>CNAIC</td><td>2023 Taishin Net Zero Summit Go Towards Green Energy</td><td>3 hr</td></tr><tr><td>2023/07/04</td><td>TWSE</td><td>Cathay Sustainable Finance and Climate Change Summit</td><td>6 hr</td></tr><tr><td>2023/11/24</td><td>TIRI</td><td>How to use Excel for business valuation and IR work management</td><td>3 hr</td></tr><tr><td>2023/12/13</td><td>IIA</td><td>Policy analysis of "self-preparation of financial statements" and "sustainability reporting" and key discussions on internal audit and internal control practices</td><td>6 hr</td></tr></table> (b) The main responsibilities of the corporate governance unit are to handle matters relating to board meetings and shareholders meetings according to laws, produce minutes of board meetings and shareholders meetings, assist in onboarding and continuous development of directors, furnish information required for business execution by directors and assisting with legal compliance. In addition, review the qualifications of independent directors in nomination, election, and performance period if in compliance with the related regulations and report to the Board of Directors; and handling of matters relating to the change in directors. (c) The Implementation is as follows : i. furnishing information required for business execution by directors and arranging refresher courses: a. Providing the latest or amended law and regulations related to the Company's business and corporate governance when the directors onboard and to update periodically. b. Furnishing information required for business execution by directors and maintaining the communication between directors and chief officers of each division. c. Assist in arranging meetings with chief internal auditor or CPA. d. Assist in arranging refresher courses. e. Assist in arranging factory on site visits.	Date	Organizer	Course	Hours	2023/06/02	CNAIC	2023 Taishin Net Zero Summit Go Towards Green Energy	3 hr	2023/07/04	TWSE	Cathay Sustainable Finance and Climate Change Summit	6 hr	2023/11/24	TIRI	How to use Excel for business valuation and IR work management	3 hr	2023/12/13	IIA	Policy analysis of "self-preparation of financial statements" and "sustainability reporting" and key discussions on internal audit and internal control practices	6 hr	
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			ii. Handling matters relating to board meetings and shareholders meetings procedures and resolutions in compliance with laws. a. reporting to the Board of Directors, independent directors or audit committee on the company's corporate governance operations and confirming whether the company's shareholders' meeting and board meeting are in compliance with relevant laws and corporate governance codes. b. Assisting and reminding the directors which the laws and regulations that should be followed when executing business or making a resolution of the Board of Directors. c. Reviewing the material information announcement of an important resolution from the Board of Directors meeting to ensure the content's legality and correctness for protecting investors have reciprocal transaction information. iii. Schedule the date of the Board of Directors meetings one year in advance with the expected agenda. Reminds directors of the meeting agendas and restate the insider trading-related regulations one month before the meeting. The agenda items and comprehensive pre-meeting materials for Board of Directors meetings shall be sent together with the notice of the meeting to each director at least seven days in advance. The Company shall remind directors if a director is an interested party with respect to an agenda item, shall enter recusal. The proposals in the meeting will be explained by the in-charge person each proposal by each. And finishing the minutes of a Board of Directors meeting within 20 days after the meeting. iv. In accordance with related laws and regulation to handle the pre-registration of shareholders' meeting, to prepare the shareholders meeting notice, the handbook of the annual meeting of shareholders, the minutes of the shareholders meeting, and to handle the change of registration when the articles of association is amended, or the directors are re-elected.	
E. Does the company establish a communication channel and build a designated section on its website for	V		The Company establishes communication channels with the corresponding banks, creditors, employees, customers, and suppliers, and also respects their legitimate rights and benefits. In addition, the Company's website has also established an investor section and stakeholder section. Furthermore, the spokesman and deputy spokesman act as the communication channel of the Company to the outside in order to properly respond to relevant issues.	No major difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?				
F. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates the Stock Affairs Department of Taishin Securities Co., Ltd. to handle stock affairs and shareholders’ meeting related affairs.	No major difference.
G. Information Disclosure (a) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (b) Does the company have other information disclosure channels (e.g. building an English website, appointing designated	V		(a) The Company discloses relevant financial business, corporate governance information, and material information on the Market Observation Post System (MOPS), and has also set up dedicated sections on the Company’s website (including Traditional Chinese, English, and Simplified Chinese) to disclose relevant information. (b) The Company assigns dedicated personnel to be responsible for the collection and disclosure of the Company’s information and to announce and report relevant information on MOPS, and the Company also establishes the spokesman system to be responsible for providing explanations to the outside in order to ensure that information possibly affecting the decision making of the shareholders and stakeholders to be timely and appropriately disclosed. Relevant information of the investor conferences organized or participated in by the Company has been published on the Company’s website and MOPS.	(a) No major difference. (b) No major difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
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people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (c) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second and third quarter financial statements as well as the operating status of each month before the prescribed deadline?			(c) The Company follows relevant laws and regulations to announce and report the annual financial statements based on the prescribed deadline, as well as the quarterly financial statements and the operating status of each month.	(c) The Company follows relevant laws and regulations to announce and report the financial statements and operating outcome based on the prescribed deadline
H. Does the Company have other important information (including but not limited to employees’ benefits and rights, employee care, investor relationships, supplier relationships, rights of stakeholders,	V		(a) Employees’ Benefits and Rights: The Company has established the employee handbook and company welfare policy. The content of such handbook and policy specifies the rights and obligations as well as welfare items of the employees in order to protect the rights and benefits of employees. (b) Employee Care: The Company encourages employees to participate in various educational trainings, provides labor insurance and group insurance, periodically organizes employee health examinations, etc., establishes excellent interaction with employees, and values the rights and benefits of employees. (c) Investor Relationships: The Company convenes shareholders meetings according to the Company Act and relevant laws in order to provide sufficient opportunities for submission of proposals by	No major difference.

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educational training status of Directors and supervisors, implementation of risk management policy and risk measurement standards, customer policy implementation status, purchase of liability insurance for Directors and supervisors of the Company, etc.) helpful to the understanding of the corporate governance operation status of the Company?			shareholders. In addition, the Company has also set up a spokesman and contact window to handle questions raised by investors. The Company has established the investor section on the Company's website (including Traditional Chinese, English, and Simplified Chinese) and also discloses company financial and business information on MOPS according to the laws. Furthermore, the Company irregularly organizes or participates in investor conferences in order to protect the rights and benefits of investors, as well as to fulfill corporate responsibility for shareholders. (d) Supplier Relationships: The Company maintains long-term and excellent collaboration relationships with main suppliers. (e) Rights of Stakeholders: Stakeholders may communicate with and make suggestions to the Company in order to maintain their legitimate rights and benefits. (f) Status on Educational Training of Directors and Supervisors: The Directors of the Company have all participated in corporate governance related courses. In addition, the Company has no supervisors. <table><tr><th>Job Title</th><th>Name</th><th>Date</th><th>Organizer</th><th>Course</th><th>Hours</th></tr><tr><td rowspan="2">Chairman</td><td rowspan="2">Hsieh, Jung-Hui</td><td>2023/12/15</td><td>COSDA</td><td>Legal compliance practice of the board of directors and case study of directors and supervisors responsibilities</td><td>3.0</td></tr><tr><td>2023/11/24</td><td>TIRI</td><td>How to use Excel for business valuation and IR work management</td><td>3.0</td></tr><tr><td rowspan="2">Representative of a Corporate Director</td><td rowspan="2">Huang, Teng-Shih</td><td>2023/10/24</td><td rowspan="2">COSDA</td><td>Related regulations: legal framework and case study analysis of insider trading.</td><td>3.0</td></tr><tr><td>2023/09/26</td><td>New thought of risk management in the digital transformation for future</td><td>3.0</td></tr><tr><td rowspan="2">Representative of a Corporate Director</td><td rowspan="2">Li, Mu-Wen</td><td>2023/11/24</td><td>TIRI</td><td>How to use Excel for business valuation and IR work management</td><td>3.0</td></tr><tr><td>2023/10/24</td><td>COSDA</td><td>Related regulations: legal framework and case study analysis of insider trading</td><td>3.0</td></tr><tr><td rowspan="2">Representative of a Corporate Director</td><td rowspan="2">Du, King-Ling</td><td>2023/08/03</td><td rowspan="2">TCGA</td><td>Board governance under ESG</td><td>3.0</td></tr><tr><td>2023/08/03</td><td>Scope, restrictions and risk analysis of insider equity transactions</td><td>3.0</td></tr><tr><td></td><td></td><td>2023/12/06</td><td>COSDA</td><td>Discussion of Taiwanese Firms' M&A strategy from the perspective of global political and economic situation</td><td>3.0</td></tr></table>		Job Title	Name	Date	Organizer	Course	Hours	Chairman	Hsieh, Jung-Hui	2023/12/15	COSDA	Legal compliance practice of the board of directors and case study of directors and supervisors responsibilities	3.0	2023/11/24	TIRI	How to use Excel for business valuation and IR work management	3.0	Representative of a Corporate Director	Huang, Teng-Shih	2023/10/24	COSDA	Related regulations: legal framework and case study analysis of insider trading.	3.0	2023/09/26	New thought of risk management in the digital transformation for future	3.0	Representative of a Corporate Director	Li, Mu-Wen	2023/11/24	TIRI	How to use Excel for business valuation and IR work management	3.0	2023/10/24	COSDA	Related regulations: legal framework and case study analysis of insider trading	3.0	Representative of a Corporate Director	Du, King-Ling	2023/08/03	TCGA	Board governance under ESG	3.0	2023/08/03	Scope, restrictions and risk analysis of insider equity transactions	3.0			2023/12/06	COSDA	Discussion of Taiwanese Firms' M&A strategy from the perspective of global political and economic situation	3.0	
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			(g) Implementation Status of Risk Management Policy and Risk Measurement Standards: The Company focuses on its core business and cooperates with the launch of all policies related to the laws, and also establishes operation of various standards to implement regulations in light of reducing and preventing any possible risks. (h) Implementation Status of Customer Policy: The Company assigns dedicated personnel to handle customer complaints, and also properly determine the cause of issue and accountability in order to ensure service quality to customers. (i) Status of Liability Insurance Purchased by the Company for the Directors and Supervisors: The Company has purchased liability insurance for all Directors.																																	
I. Please provide explanation on the improvement status of the corporate governance evaluation announced by the Taiwan Stock Exchange (TWSE) in the most recent year, and provide priority	V		According to the 10 th Term (2023) Corporate Governance Assessment Result announced in April, 2024, the Company’s participation assessment score received is at the tier of 21%-35% of the corporates. (a) Matters Not Received for Scores and Already Improved: Does the company set up a dedicated unit in charge of the promotion and execution of the company's corporate conduct and ethics, responsible for establishing and supervising the implementation of ethical corporate management policies and prevention programs; also disclose the promotion and execution of the dedicated unit on their company websites and annual reports and report to the board of directors on a regular basis (at least once a year)? The corporate governance officer reported the promotion and implementation of the company's corporate						No major difference.																											

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enhancement and measures for matters yet to be improved.			conduct and ethics in 2024, May 29th, and disclosed the details on the company website and the annual report. (b) Priority Enhancement and Measures: Does the company record the material content of shareholders' questions and the company's replies in the annual shareholders' meeting minutes? The company will adapt to it since this year.	

(4) Compensation Committee

A. Information of Compensation Committee Members

Criteria Name	Professional qualifications and experience	Independence (Note 2)	No. of other public companies of which the person concurrently serves as an compensation committee member
[Convener] [Independent Director] Chang, Jun-En	Specialty: Solid waste disposal, Resource Recycling, Environmental Engineering and Board Experience -PhD. in Civil Engineering, Tohoku University, Japan -Master of Civil Engineering, National Cheng Kung University -College of Engineering, National Cheng Kung University/Deputy Dean -Environmental Protection Administration, Executive Yuan, R.O.C.(Taiwan)/Minister -Formosa Association of Resource Recycling/Chairman -Sustainable Environment Research Laboratories, National Cheng Kung University, Director -Department of Environmental Engineering, National Cheng Kung University, Professor -Department of Environmental Engineering, National Cheng Kung University, Emeritus Professor -Cleanaway Co Ltd, Independent Director -Cheng Mei Materials Technology Corporation, Independent Director -Yung Yuan Chemical Materials Corp., Consultant -The 20th TECO Award- Machinery/Energy/Environmental Technology Category -2007 Ho Chin Tui Outstanding Honorary Award-Environment Protection	1. The company has obtained the declaration that it complies with the eligibility requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" from all independent directors, which meets the independence criteria. 2. The independent directors of the company and their spouses, minor children and nominee arrangements do not hold one percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, that designates	2
[Independent Director] Pai, Pei-Lin	Specialty: Electrical Engineering, Business Management, Market Experience and Board Experience -PhD. in Electrical Engineering, University of California, Berkeley -B.S. in Department of Electrical Engineering, National Taiwan University -Nanya Technology Corporation, Vice President and Spokesman -Alpha & Omega Semiconductor Co., Ltd., Vice President -FocalTech Systems Co., Ltd., Vice President -Winbond Electronics Corp, Vice President -Intellectual Property Innovation Corporation, Director Representative	2. The independent directors of the company and their spouses, minor children and nominee arrangements do not hold one percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, that designates	-

Criteria Name	Professional qualifications and experience	Independence (Note 2)	No. of other public companies of which the person concurrently serves as a compensation committee member
[Independent Director] Chen, Yu-Hsuan	Specialty: Financial Accounting and Auditing -Master of The Department of Asia-Pacific Industrial and Business Management, National University of Kaohsiung -Bachelor of Accounting group, Department of Business Management, National Sun Yat-sen University -Sheh Kai Precision Co., Ltd audit Director -Sheh Kai Precision Co., Ltd audit Director and Chairman's Special Assistant -Kuan-Yi Investment Co., Ltd Supervisor -Bymit Inc. Supervisor -Tian Yu Hsuan Ltd. Representative	its representative to serve as a director or supervisor of the company. 3. All independent directors meet all criteria of Note 2.	-

Note 1: The independent directors of the company have not been a person under any conditions defined in Article 30 of the Company Law. All independent directors have signed a declaration.

Note 2: Compliance with Independence Criteria:

- (a) Not an employee of the Company or any of its affiliates.
- (b) Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.)
- (c) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (d) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (e) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.);
- (f) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company. (Not applicable in cases

where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.);

- (g) Not a director, supervisor, or employee of a company of which the chairman or CEO or equivalent themselves or their spouse also serve as the company's chairman or CEO or equivalent. (Not applicable in cases where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.);
- (h) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company (Not applicable in cases if specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company and where the person is an independent directors appointed in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent.);
- (i) Other than serving as a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$ 500,000.
- (j) Not the spouse or a relative within the second degree of kinship of any other director of the Company.
- (k) Not been a person of any conditions defined in Article 30 of the Company Law.
- (l) Not a government agency, a juristic person or its authorized representative be elected as a director of the company as defined in Article 27 of the Company Law.

B. Implementation Status of the Compensation Committee

- (a) The Company's Compensation Committee consists of three members.
- (b) The term of office of the fifth term of committee members was from 2021/08/11 to 2024/08/10. The Compensation Committee held two meetings (A) in the most recent year and details of committee members' qualification and attendance status are as follows:

Job Title	Name	Attendance in Person (B)	Number of Attendances by Proxy	Actual Attendance Rate (B/A) (Note)	Remarks
Member / Convener	Chang, Jun-En	2	0	100%	Consecutive term of office and elected to be the Convener on 2021/08/11.
Member	Pai, Pei-Lin	2	0	100%	Consecutive term of office on 2021/08/11.
Member	Chen, Yu-Hsuan	2	0	100%	New Assumption of Position on 2021/08/11.

Note: The attendance rate (%) should be calculated based on the number of compensation committee meetings held and the number they attended in person during the period they were on the committee.

Other matters required to be recorded:

- i. In the event where the Compensation Committee's proposal is rejected or amended in a Board of Directors meeting, please describe the date and session of the meeting, details of the agenda, the board's resolution, and how the Company handled the Compensation Committee's proposals: None.
- ii. In the case any member objects or expresses qualified opinions to the resolution made by the Compensation Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the agenda, all members' opinions, and how their opinions were addressed: None.
- iii. Scope of Authority of this Committee:
 - a. Periodic review the Compensation Committee Charter and proposal of revision recommendations.
 - b. Establish and periodically review the performance evaluation of the annual and long-term performance goals of the Directors and managerial officers of the Company as well as the policy, system, standard, and structure for the compensation.
 - c. Periodically evaluate the performance goal achievement status of the Directors and managerial officers of the Company, and establish the individual compensation content and amount.
- iv. 2023 Compensation Committee

Meeting Date	Proposals	Resolutions and the Company's responses to directors' opinions
2023/03/22 (2023 1 st Meeting)	Proposal of 2022 Compensation of Directors and Employees' Compensation of the Company.	All attended member passed the proposal without objection
2023/11/22 (2023 2 nd Meeting)	a. Proposal for Managers and Directors with Employee Status to subscribe for the 2023 Cash Capital Increase b. Proposal for the 2024 Compensation of Directors and Managerial Officers of the Company.	

(5) Deviation of the Company's actual promotion of sustainable development implementation status from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
A. Does the Company establish the governance structure for promoting the sustainable development and set up a unit that specializes (or is involved) in the promotion of sustainable development and did the Board of Directors authorize the senior management for handling such matters and the supervision status of the Board of Directors	V		The Company has established a dedicated sustainable development office (ESG Team) to coordinate and push the implementation of sustainable development of the Company and prepare sustainability reports. Employees from several departments have been assigned by Chairman as ESG team members to recognize material sustainable topics and to set up the work plan via regular cross-department meetings and information-collecting platforms. In accordance with the instructions of the chairman, the relevant work schedule and implementation status will be reported to the board of directors every quarter starting from May 2022. The board of directors' opinions will be listened to, and adjust accordingly will be made. The proposal includes the identification of sustainable issues that require attention. The Company voluntarily published the first sustainability report on September 30, 2022, and the following annual sustainability report will be published and discussion to the Board of Directors every year, also disclosed on the Company's website and TWSE MOPS. The Board of Directors' supervision for the sustainable development shall include but not limited to: management policy, strategy and objective establishment, as well as review measures.	No major difference.
B. Does the Company implement the risk assessment of environmental, social and corporate governance issues related to corporate operation and establish relevant risk management policies or strategies based on the principle of materiality?			For the risk assessment, responsive actions and handling status of relevant issues of the Company (including subsidiaries of the Group), please refer to this Annual Report (a) Analysis and assessment of the risk matters for the most recent year and up to the printing date of annual report of VII. Review and Analysis of Financial Status and Financial Performance and Risk Management. (b) Environmental Issues and 4. Social Issues of this paragraph. (c) Implementation of Corporate Governance of III. Corporate Governance Report. The Company published the 2022 Sustainability Report on June 2023, and according to the materiality principle, communication with stakeholders, and reviewing related regulations, the Company defines material issues and relevant management policies. For details, please refer to the company's sustainability report.	No major difference.
C. Environmental issues (a) Does the company establish proper environmental management systems	V		(a) The Company establishes environmental safety management regulations and sets up environmental management dedicated unit according to the industrial environment management standards of the country where	No major difference.

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
based on the characteristics of their industries? (b) Does the Company committed to achieving efficient use of resources and using renewable materials that produce less impact on the environment?			the Company is located and based on the industrial characteristics. In addition, the Company also complies with the local labor safety and health regulations, public safety and building regulations and fire control regulations, in order to maintain the environmental health and safety control. In addition, the Company's products also quality numerous environmental protection related international certificates. i. Acquisition of Chain of Custody (CoC) certificate from Forest Stewardship Council (FSC), certifying that product wood raw materials comply with the forest governance concept and supervision with rigorous environmental protection, sustainable operation and ecological protection. ii. Products qualify the Total Volatile Organic Compounds (TVOC) and formaldehyde inspection compliance standards certified by the international SGS and China National Furniture and indoor Environmental Quality Supervision and Inspection Center, such that the health of consumers is considered and the emission of greenhouse gas is also reduced at the same time. iii. In 2019, the Company successfully developed the No Added Formaldehyde-based-resin (NAF) board, in order to reduce air pollution and also received the formaldehyde-free certificate issued by the U.S. CARB and EPA. iv. Qualified the toxic substance inspection certification for composite wood products formaldehyde control regulations under Title VI CARB Phase 2 of Toxic Substances Control Act (TSCA) of U.S. CARE and U.S. Environmental Protection Agency (EPA), thereby providing environmental quality assurance. v. Acquired the Swiss SGS certification and the formaldehyde testing certificate complying with F-4 Star Standard of Japan Testing Center for Construction Materials (JTCCM). vi. Qualified the Japanese Industrial Standards (JIS) A5908 F-4 Star, F-3 Star and F-2 Star certifications. (b) The Company is dedicated to the environmental protection policy and promoting the managing strategies that merge recycling economic and sustainable development, be participated in carbon neutral activities as a response to the sustainability issues. The production raw materials of the Company use the rubber woods, an economic crop from Thailand, which involves no deforestation and has no adverse impact on the environment. The Company has also acquired the certificate from the Thailand Rubber Wood Association stating that the product source of the Company is rubber wood products complying with sustainable development.	

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
(c) Does the Company evaluate the climate change on the present and future potential risks and opportunities of the corporation and does the Company adopt relevant responsive actions?			The Company is committed to environmental protection, and implements garbage resource classification, recycles wooden dust distributed in the area, and transforms waste gas into thermal energy for recycled use in the production progress in order to improve resource reuse rate. In addition, the Company also introduces high-efficiency motors and frequency converters in order to increase energy use efficiency. The Company also uses thermal imagers to monitoring the production equipment in real time in order to reduce the loss of energy. Using diesel in order to reduce the carbon emission. Actual outcome: More than 93% of the raw materials used in the production process are renewable raw materials. The Company's particle board is made by recycling discarded rubber wood branches, bark, and waste materials produced in the production process of solid wood boards. In 2022 and 2023, the particle board produced by the Company can store about 0.80 million tons and 1.056 million tons of carbon emissions as estimated, respectively. (c) Due to global warming and the greenhouse effect, countries worldwide are increasingly strict about protecting forest resources, and the wood supply is dwindling. However, the demand for wood panels continues to increase, accompanied by growth in emerging countries. Our company produces particleboard, which can be made from recycled wood or wood products. Any wood material can be used to manufacture particleboard, which is recognized as environmentally friendly wood panels and is in line with the spirit of sustainability. The company is located in the south of Thailand. The rainy season from October to November may cause floods due to abnormal climate change, resulting in a shortage of rubber wood harvesting difficulties. Affect short-term price fluctuations. However, the company has both solid wood and particle board business, with a relatively complete wood distribution network, so rubber wood can be purchased in bulk, which has the advantage of raw material acquiring, compare to other competitors. The impact of climate change on the Company is relatively low. A detailed description of the company's climate change risk and opportunity analysis has been disclosed in the sustainability report.	
(d) Does the Company statistically analyze the greenhouse gas emission, water usage and waste total weight over the past years and			(d) The Company organizes the Energy Saving Committee, and has been committed to the promotion of energy saving and carbon reduction policy as well as the promotion of paperless measure for a long period time. The Company promotes paper recycling and re-use and electronic documents are used to replace paper	

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof														
	Yes	No	Abstract Explanation															
does the Company establish policies for reduction of greenhouse gas emission, reduction of water usage or other waste management?			documents along with the implementation on online signing and approval, in order to respond to the office energy saving and carbon reduction. In addition, the Company also implements general waste resource recycle and the process is further enhanced through waste control system, and wastes are handled by qualified contractor for complete and through processing and treatment. The Company implements management and reduction of use on oil, gas, water and electricity, in order to achieve the energy saving, carbon reduction and greenhouse gas reduction policies (the statistical information covers GRH, GP and GPT, and the information will disclose in sustainability report that has obtained the confirmation opinion of the third-party verification): i. The Company has installed the automatic warehousing system, in order to reduce the CO₂ generated by the use of forklift trucks. Waste gas is recycled as thermal energy in order to reduce the waste gas emission. Formaldehyde in the production waste gas is recycled and recused in order to achieve zero emission. Since 2018, the Company has implemented the wet electrostatic gas precipitator from Europe with performance superior to the national regulations of Thailand. In addition to the satisfaction of the environmental protection standards, the Company is able to achieve effective control effect on the PM 2.5 particles in the waste gas, SO₃ acid fog, organic pollutants, heavy metal pollutants etc., in order to create a green economy with sustainable co-existence with the environment. ii. <u>The greenhouse gas emission</u> Unit : tonCO₂e <table><tr><th>Item</th><th>2022</th><th>2023</th></tr><tr><td>Category 1</td><td>5,169</td><td>6,996</td></tr><tr><td>Category 2</td><td>39,719</td><td>51,253</td></tr><tr><td>Total emissions</td><td>44,888</td><td>58,250</td></tr><tr><td>Greenhouse Gas Emissions Intensity (tonCO₂e / Production Quantity (M³))</td><td>0.0586</td><td>0.0586</td></tr></table> The company continues implementing energy-saving and carbon-reduction measures to reduce the emission risk of factory operations effectively and plans a schedule for GHG inventory and verifications. Environmental wood debris and dust are recycled as fuel in order to reduce the external purchase of wood and use of diesel, such that the carbon emission is reduced at the same time. To achieve the goal of environmental protection, energy factory technology is improved and	Item	2022	2023	Category 1	5,169	6,996	Category 2	39,719	51,253	Total emissions	44,888	58,250	Greenhouse Gas Emissions Intensity (tonCO ₂ e / Production Quantity (M ³))	0.0586	0.0586
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			modified to further include the “Wood Flour Burner” nozzle, in order to use the wood skin and wood flour as the dual fuel of waste recycled fuel. Actual outcome: a total of approximately 14,551 tons of CO₂ carbon emission was reduced in 2022 and a total of approximately 21,506 tons of CO₂ carbon emission was reduced in 2023. iii. <u>Water usage</u> Unit : million liters <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>Water withdrawal</td><td>158.92</td><td>173.68</td></tr><tr><td>Displacement</td><td>36.95</td><td>45.58</td></tr><tr><td>Water Consumption</td><td>121.97</td><td>128.10</td></tr><tr><td>Circulating water consumption in the plant</td><td>46.95</td><td>62.05</td></tr><tr><td>Water intensity (million liters / Production Quantity (M³))</td><td>0.000208</td><td>0.000175</td></tr><tr><td>Water recycling rate (%)</td><td>22.81</td><td>26.32</td></tr></table> In response to climate change, the company is committed to the recycling of water resources and has installed an automatic detection system for wastewater quality online and water purification equipment. In 2023, the total release amount of wastewater is 55 m3, which is not much difference than the total wastewater amount of 55 m3 in 2022. iv. <u>Waste</u> Unit : ton <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>General garbage</td><td>137.00</td><td>97.23</td></tr><tr><td>Empty bucket</td><td>14.28</td><td>43.70</td></tr><tr><td>Waste oil</td><td>7.10</td><td>14.40</td></tr><tr><td>Total</td><td>158.38</td><td>155.33</td></tr><tr><td>Output per unit (ton / Production Quantity (M³))</td><td>0.000207</td><td>0.000156</td></tr></table> The company is committed to reusing resources to achieve the goal of reducing waste. Products that fail quality control will be chipped and re-entered into the manufacturing process. The Company does not produce hazardous waste, and non-hazardous wastes are categorized according to local	Year	2022	2023	Water withdrawal	158.92	173.68	Displacement	36.95	45.58	Water Consumption	121.97	128.10	Circulating water consumption in the plant	46.95	62.05	Water intensity (million liters / Production Quantity (M ³))	0.000208	0.000175	Water recycling rate (%)	22.81	26.32	Year	2022	2023	General garbage	137.00	97.23	Empty bucket	14.28	43.70	Waste oil	7.10	14.40	Total	158.38	155.33	Output per unit (ton / Production Quantity (M ³))	0.000207	0.000156	
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	Yes	No	Abstract Explanation	
			environmental protection laws and regulations; the Company chooses a qualified vendor to clean up the waste and formulates relevant management procedures. In addition, the in-charge department shall perform on-site audits at least once a year, depending on the needs. If the audit result fails, the Company will force the vendor to stop the operation and improve within the requested time. If the improvement does not meet the requirements, the contract will be terminated, and change the vendor to another qualified vendor to fulfill the corporate responsibility of waste management.	
D. Social issues (a) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(a) i. The Company has established a management dedicated unit in order to perform works according to the regulations of the labor laws and Gender Equality Act in the country where the Company is located and according to the organization and employee related regulations, policies, and activity plan, in order to protect the rights and benefits of employees. The Company follows the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as the spirit and fundamentals of protecting human rights embodied in such international human rights treaties. Established the human rights related policies and disclose it on the Company's website. The relevant policies are as follows: Human Rights Policy Green River Holding Co. Ltd. (Green River) is committed to ESG and dedicated to protecting its employees' rights and interests. The Company follows the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights (UDHR), the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as the spirit and fundamentals of protecting human rights, embodied in such international human rights treaties. At the Company, we place the utmost value on human rights, prevent invasions or violations of human rights in any form, and treat all employees with the same dignity and respect. This Human Rights Policy applies to the Company and its subsidiaries and strictly complies with labor-related laws and regulations in all countries where we operate. Recruiting Policy Commit to creating a diverse, open and equal work place. Zero tolerance on any differential treatments in language, attitude, behavior or any forms of discrimination in respect of an employee's gender (including sexual orientation), ethnicity, social status, age, marital status, language, belief, religion, political affiliation, nationality, pregnancy, appearance, facial features, and mental or physical disabilities.	No major difference.

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
			No child labor (age under 15) is employed in our operation; disallow the employment of forced, bonded (including debt bonded), indentured or involuntary labor. Eliminate all forms of forced labor, eliminate employment and employment discrimination, prohibit harassment, and respect privacy rights, Commit to creating an equal employment opportunity with dignity, safety, equality, and free from harassment and discrimination work environment. Respects human rights and implement humane workplace management. Employees should not be corporally punished, threatened, insulted, harassed, abused, or inhumanely treated by any means. Reasonable Work hours To establish the norms of regular and extending working hours, and cares and manages employees' attendance regularly. Healthy Work Environment Providing employees with a safe and healthy work environment and the necessary emergency facilities. The Company is striving to eliminate all hazardous factors that threaten employees' safety and health, conduct regular training on occupational safety, and to minimize the occupational injuries risk; promoting employees' mental and physical health by regularly offering free physical checkups and other benefits. Friendly and Harmonious Labor-Management Communication To improve communication between Labor-Management and address issues effectively, the Company sets up suggestion boxes and holds Labor-management meetings. ii. Specific management plans include, a. The proportion of female employees is about 26%. There is a breastfeeding room in the working area, and the number of days of maternity leave is better than Taiwan's Labor Standards Act, b. The company keeps a quota for employing disabled people with suitable working and environmental facilities, providing employment opportunities equally. The Company employs 7 and 9 disabled employees in 2022 and 2023, respectively. c. The company has a whistleblower mailbox and a labor opinion mailbox to provide employees with appropriate communication methods, d. Employee benefits, Please refer to 5. Labor relations and 8. Employee Working Environment and Personnel Safety Protection Measures of V. Operational Overview.	

Promotion Item	Implementation Status				Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof															
	Yes	No	Abstract Explanation																	
(b) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?			e. The company has obtained FSC CoC certification. FSC attaches great importance to labor human rights. Its assessment content include FSC Core Labour Requirements. f. The distribution of employee positions in 2023 is as follows: <table><tr><td>Item</td><td colspan="2">Supervisor</td><td colspan="2">Non-Supervisor</td></tr><tr><td>Sex</td><td>M</td><td>F</td><td>M</td><td>F</td></tr><tr><td>2023</td><td>33</td><td>18</td><td>776</td><td>274</td></tr></table>		Item	Supervisor		Non-Supervisor		Sex	M	F	M	F	2023	33	18	776	274	
Item	Supervisor		Non-Supervisor																	
Sex	M	F	M	F																
2023	33	18	776	274																
(c) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?			(b) The Company’s salary and compensation policy complies with relevant laws of the government, and the reasonable salary and compensation of employees is determined based on the employees’ educational background, experience, and work performance. The Company has established the Employee Performance Evaluation Regulations, and also specified the Reward and Punishment System. In addition to the consideration of employees’ work performance, the Company also evaluates the ethical conduct standard of employees in order to protect the corporate image of the Company and to comply with the required corporate social responsibility of the Company. The Company emphasizes employees’ rights and welfare and also shares profit earnings with employees, as well as maintain excellent working environment. Including comprehensive physical and mental care for all ethnic groups. For workplace diversity information, please refer to ii. specific management plans in Part (a) of this form. Please refer to (8) Employee Bonus and Directors' and Supervisors' Compensation of 1. Capital and Shares of IV. Status on Financing of this Annual Report for Employee Compensation information. Please refer to 5. Labor relations of V. Operation Overview of this Annual Report for other employee welfare. (c) The Company establishes the dedicated occupational safety unit and is staffed with occupational safety personnel complying with the government license standards, and also inspects all items according to the plan as well as performs review and improvement, in order to ensure that the work environment provided complies with the regulatory standards. In addition, the Company also periodically organizes employee physical examination, fire drill, work safety, environmental sanitation promotion and prepare adequate safety equipment for employee. Please refer to 8. Employee Working Environment and Personnel Safety Protection Measures of V. Operation Overview of this Annual Report. The company has not experienced any fire and																	

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof		
	Yes	No	Abstract Explanation			
(d) Does the Company have an effective career capacity development training program established for employees? (e) Does the company comply with laws and international standards with regards to the customer health and safety of products and services, customer privacy, marketing and labeling of products and services and did the company establish policies and reporting procedures related to consumer or customer rights and benefit protection?			major occupational accidents this year. The industrial safety education training and promotion in the past three years are as follows:			

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
(f) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.			and international standard requirements during the execution of business. (f) i. The Company establishes partnerships with suppliers based on the principle of equality and mutual benefit. In addition, the Company reviews the qualification of suppliers and contractors every half year according Vendor management policy, also implements audits irregularly in order to ensure the quality of supplies and operational requirements. The Company formulate a code of conduct for suppliers and require suppliers to sign a consent letter to ensure that the Company's suppliers do not violate labor practices or adhere to sustainability clauses, etc. Thereby achieving the promotion of social responsibility. ii. specific management plans a. According to the Company's current supplier evaluation work guidelines, supplier evaluation is conducted in the first and second half of each year in February and August. During the evaluation period, the top 10 suppliers in each group's (divided by procurement items) transaction amount are evaluated based on their price, product quality, delivery time, and after-sales service will be evaluated. Suppliers whose evaluation results do not meet the criteria will ask for improvement, suspension of transactions, or removal from the supplier list. By the end of 2023, 328 supplier evaluations had been conducted, of which 94% of suppliers were rated A, 5% were rated B, and the remaining of 1% were rated C. b. The Purchasing Department conducts improvement tracking on supplier deficiencies and evaluation results. c. Before suppliers and contractors enter the factory for construction, occupational safety and health education will be conducted, and the Company's safety personnel will conduct inspections. d. All suppliers of the Company must comply with the following regulations: 1) Contractors must comply with factory rules and strict zone-divided safety regulations. 2) Contractor superiors or supervisors must receive complete training on safety. 3) Contractors and supervisors must apply for work permits. 4) The contractor must put signs and operating notices indicating hazards and warning messages. 5) The contractor must cordon off the work area and prohibit non-construction personnel from entering the construction area. 6) Tools, machines, and equipment used for work must be safe.	

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
			7) After the work is completed, the area must be cleaned and restored. 8) Contractors must dress neatly and wear protective equipment according to the nature of the work. 9) No child labor (age under 15)	
E. Does the Company stipulate standards or guidelines according to the internationally accepted report, prepare sustainability reports and reports for disclosing non-financial information of the furniture Company? Have the aforementioned reports obtained the assurance or guarantee opinions from a third verification unit?	V		(a) The company does not need to prepare an ESG report in accordance with laws and regulations. The company has voluntarily issued the 2022 ESG report on June, 2023, and disclosed it on the company's website and MOPS. The Company is preparing the 2023 sustainability report and is expected to achieving assurance from a certification body. The report will be completed and published in June 2024. (b) The company's sustainability report follows the Universal Standards 2021 (Universal Standards 2021) announced by the GRI Association in 2021 as the main comprehensive disclosure framework and echoes the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, "Sustainable Development Goals" from SDGs, the framework set by the Task Force on Climate-related Financial Disclosures (TCFD), and "Sustainability Accounting Standards" from SASB."	The company does not need to prepare an ESG report in accordance with laws and regulations.
F. When the Company establishes its own principles for sustainable development according to the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," please describe the difference between its operation and the rules established: The Company has established the "Corporate Social Responsibility Best Practice Principles" of the Company in the Board of Directors' meeting held in December 2013, and continue to review and revise. In order to enhance the implementation of corporate social responsibility. The Company examines the execution status according to the principles and implements improvements accordingly. There has been no occurrence of material difference yet.				
G. Other important information to facilitate the understanding of the execution status of promotion of sustainable development: (a) The Company is dedicated to become an outstanding corporate citizen, and the Company continues to care for the education of disadvantaged groups, construct educational resource sharing, promote industry-academic cooperation, and outstanding talent cultivation. In addition, the Company also organizes various public welfare activities for socially disadvantaged group care, community medical health educational resource subsidies, and elderly care, etc. The public welfare activities span across the Songkhla region, Trang, Thailand, where the Company located and surrounding areas, and the beneficiaries include all major colleges and universities, local junior high and elementary schools, non-profit-seeking social organizations, and the general public. The Company also encourages employees to jointly participate in social welfare activities in order to assist employees to maintain physical and mental health as well as a work life balance, thereby achieving growth with the Company together. The Company provides free health examinations to surrounding residences and allocates budget in scholarship and senior citizen care programs every year: (1) in 2023, the company provide low-income student scholarship, outstanding student scholarship and aid in campus construction is NT\$ 475 thousand. The Company cooperate with schools and government institutions, including the selection process and provide the scholarship on time. The Company hopes to assist the students with financial aid and encourage them to concentrate on their studies. (2) In 2023, the company provide for the senior citizen caring program is NT\$ 398 thousand. Monthly visits to the poor, seriously ill, shut-in, and disabled elderly in the community, and provide assistance and daily necessities subsidies. (3) Approximately NT\$ 509 thousand was spent on participating in charity activities and community services in 2023, joining in community or official activities, providing annual electrical appliance safety inspections and				

Promotion Item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and cause thereof
	Yes	No	Abstract Explanation	
			maintenance, holding skills training for local communities, etc., to foster neighbor relations. The total amount of donation and related CSR activities in 2023 was NT\$ 1,382 thousand. (b) Since 2015, the Company has consecutively received various social welfare awards and social welfare service awards from the central government and local government. The Company seeks to attract people sharing the same notion to be committed to the care of socially disadvantaged groups. In addition, through the integration of government and local social resources along with the teamwork development model, the Company creates an organization operated based on innovation and human culture. (c) The Company has passed the latest version of ISO 9001:2015 standard, which certifies the company's production environment is safe, eco-friendly, stable, well-managed, and provides high-quality products and comprehensive services. (d) To control environmental pollution, the Company has also installed relevant environmental protection equipment: waste water quality online detection system, water quality purification equipment, wet electrostatic precipitator system and Formaldehyde recycle system, etc.	

Climate-Related Information of Publicly Listed Companies

1 Implementation Status of Climate-related Information

Item	Implementation Status
1. Description of the Supervision and Governance by the Board of Directors and Management on Climate-related Risks and Opportunities.	The negative impacts of global warming and the greenhouse effect are becoming increasingly severe, with economic activities facing growing disruptions from extreme weather events. As a result, achieving net-zero emissions and sustainable operations have become global priorities. Green River is managed by senior executives and an ESG team, who handle climate-related risks and opportunities, and will report these outcomes along with the sustainability report to the board of directors.
2. Explanation of how identified climate risks and opportunities impact the company's operations, strategies, and finances (short-term, medium-term, long-term).	Risks : 1. Flooding causing difficulties in rubber wood harvesting, leading to shortages of rubber wood. 2. Increasing stringency of global and regional greenhouse gas regulations, raising production costs. Opportunities : Product opportunities arising from the growing market demand for green products. Strategies : The company establishes a comprehensive timber distribution network to effectively manage the supply of raw materials, thereby reducing the risk of material shortages. Develop emergency response plans for various scenarios. Manage and reduce the use of oil, gas, water, and electricity beyond local environmental regulations to continuously improve internal operational performance and fulfil environmental social responsibilities. Apply for various environmental and sustainability certifications related to product safety, quality, and raw material sources to meet global and regional greenhouse gas regulations and customer expectations for sustainable products.
3. Explanation of the financial impact of extreme weather events and transition actions.	The company has developed climate change adaptation and mitigation measures to reduce the impact of climate-related risks. To date, the company has not experienced any financial impact due to production interruptions caused by climate-related disasters.
4. Description of how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	In accordance with company regulations, the internal audit dept. guides relevant departments in conducting risk assessments, responses, and follow-ups. Risk management covers environmental, governance, and social aspects, involving impact severity and opportunity-benefit analysis. Custom response plans are developed and implemented accordingly.
5. If scenario analysis is used to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and primary financial impacts should be explained.	Currently under planning.
6. If there is a transformation plan for managing climate-related risks, please describe the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.	Currently under planning.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	Currently under planning.
8. If climate-related targets are set, information should be provided on the covered activities, scope of GHG emissions, planning timeline, annual progress achieved, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, details should be given on the source and quantity of offset carbon emissions or the number of RECs used.	Currently under planning.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Year Scope	2022		2023	
	Emission Volume (tons CO2e)	Intensity (tons CO2e/ NT\$ million)	Emission Volume (tons CO2e)	Intensity (tons CO2e/ NT\$ million)
Scope 1	5,169	1.3654	6,996.13	1.5031
Scope 2	39,719	10.4915	63,268.03	13.5927

Data Coverage of Greenhouse Gases : The boundary and scope of greenhouse gas inventory and assurance disclosure for our company are GP and GPT.

1-1-2 Greenhouse Gas Assurance Information : In accordance with the sustainable development roadmap specifications for listed companies formulated by the FSC, the company has set the goal of completing greenhouse gas inventory in 2026 and completing external verification in 2027. Ensure the company's progress in sustainable development and compliance with relevant requirements of regulatory agencies.

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

Greenhouse Gas Reduction Targets :
The greenhouse gas reduction goal of Green River is to storage at least 300,000 metric tons of carbon dioxide annually through the production of Particle boards. The five-year plan aims to achieve verification from an external organization to ensure the effectiveness of the gas reduction efforts.
Strategy :
1.Manage and reduce the use of oil, gas, water, and electricity to standards that exceed local regulations. 2.Continuously improve internal operational performance and fulfil environmental social responsibilities. 3.Install Wet Electrostatic Precipitator (WESP) system to purify dust, exhaust gases potentially emitted during production, and reuse them back into the process.
Concrete Action Plan :
1.Invest in technological upgrades and install environmental equipment that exceeds local regulatory requirements, such as Wet Electrostatic Precipitators (WESP) to effectively control exhaust gases generated during production. 2.Enhance energy efficiency in the production process by converting diesel to biodiesel to reduce carbon emissions. 3.Recycle environmental wood dust as fuel to decrease reliance on fossil fuels and lower carbon emissions. 4.Install an automated storage system to reduce CO2 emissions from the use of forklifts. 5.Establish a comprehensive timber distribution network to effectively manage raw material supply, reducing the risk of material shortages and thereby minimizing carbon emission impacts. 6.The company will release its sustainability report, certified by an external organization, in 2024. Plans are in place to complete a greenhouse gas inventory by 2026 and obtain external verification by 2027.

(6) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
A. Establishment of ethical corporate management policies and programs (a) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? (b) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? (c) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does	V		(a) The Company has established the "Corporate Ethical Management Best Practice Principles"; it was first passed by the Board of Directors meeting on June 16, 2012. The Company regularly reviews regulations and revisions every year and disclosed on the company website and MOPS, and education and training were arranged. The company will improving and revising continuously. The Principle indicates the Company's guidance of ethical management, as well as the active commitment of the Board of Directors and management towards enforcing such policy. (b) The Company requests all managerial officers and all employees to not directly or indirectly receive illegal, unethical, or unreasonable gifts, treats, or illegal benefits during the commercial action process of the work scope. (c) The Code of Ethical Conduct, the Internal Control Systems, and the Employee Handbook of the Company have included clauses of unethical conduct; the Company reviews those regulations regularly and amends in compliance with laws in time.	No major difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
the company enforce the programs above effectively and perform regular reviews and amendments?				
B. Fulfill operations integrity policy (a) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? (b) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? (c) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (d) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk	V		(a) The Company may sign various contracts for different commercial activities and the personnel from legal department reviews the contract content and credit verification in order to prevent any unethical conduct. (b) The Company's chief corporate governance officer convenes the corporate governance office to implement ethical corporate management, with each department assisting in implementation according to their work scopes and responsibilities. Supporting the board of directors and management in formulating and supervising the implementation of ethical corporate management policies and prevention plans to ensure the ethical corporate management policy and programs are implemented. The corporate governance officer reports to the board of directors annually. On May 9, 2024, the officer reported on implementing ethical corporate management policies and programs to the audit committee and the board of directors. (c) i) The Company's "Corporate Governance Code" and "Procedures and Rules of Board of Directors Meeting" regulate the responses where Directors are subject to conflicts of interest in proposals listed on the BOD meeting agenda. ii) The "Ethical Corporate Management" and the "Internal Material Information Processing and Prevention of Insider Trading" of the Company regulate the prevention of interest conflicts, insider trading, and the consequence of the violation. iii) The Company sets up a physical mailbox for grievances and an inquiry page on the website to manage, control, and prevent the occurrence of conflicts of interest. (d) The Company has established an accounting system and internal control system and reviews timely to ensure that the design and implementation of the integrity management system continue to be effective. The internal audit department shall regularly check compliance with the preceding system according to the audit plan and prepare an audit report to submit to the board of directors. The	No major difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? (e) Does the company regularly hold internal and external educational trainings on operational integrity?			audit results 2023 included preventing insider trading, etc., and no violations of regulations were detected. (e) The company's internal training for employees includes labor laws, Codes, Standards and related content. In 2023, a total of 253 people participated in the training courses, with a total of 756 person-hours. In addition, the Company publishes relevant theme articles in weekly report, and promote the ethical management philosophy in various meetings and daily work, and also imposes punishments on illegal and unethical conduct according to the reward and punishment system in light of eliminating unethical conduct and to deeply convey the philosophy of ethical management to all employees. The Company disseminates laws and regulations of insider equity transaction matters to all directors via email every year and reminds directors not to trade in the Company's stock during the closed period Board of Directors.	
C. Operation of the integrity channel (a) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (b) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (c) Does the company provide proper whistleblower protection?	V		(a) The Company set up communication channels including dedicated telephone line, a physical grievance mailbox, website, email and mailbox receipt address, provided to receive reports or complaints. Reports and complaints events are reported to the head of the Administration and Management Division and the Internal Audit Department. In addition, the Company also established the reward and punishment system in order to impose punishment for violations against the regulations of ethical management. (b) The Company treated filed misconduct behaviors following the standard procedures and confidentiality measures from the Labor Protection Act B.E. 2541-section 16 and Labor relation Act B.E. 2518, and established the whistle-blower policy in the Work Regulation. (c) The company's whistle-blower policy includes measures to protect whistle-blowers and personnel involved in fact-finding. Currently, there has been no case of improper punishment due to whistle-blowing.	No major difference.
D. Strengthening information disclosure	V			No major difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(a) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?			The Company’s Ethical Corporate Management Best-Practice Principles and the results of our implementation have been disclosed on the Company’s annual report, website (Chinese/English) and MOPS.	
E. If the Company establishes its own ethical management best practice principles according to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the discrepancy between its operation and the Company’s ethical management best practice principles: To fulfill corporate social responsibility, the Company has established the “Ethical Management Best Practice Principles”. There are no major discrepancies between the operation status and the principles established.				
F. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies: The Company upholds the principle of ethical management and considers the demands of all stakeholders in order to gain recognition of the suppliers and customers, thereby ensuring the sustainable operation of the enterprise.				

- (7) Where the Company establishes corporate governance principles and relevant regulations, the inquiry method thereof shall be disclosed:

Market Observation Post System (MOPS) <http://mops.twse.com.tw>.

Green River Holding Co. Ltd. <https://www.greenriverholding.com/major-internal-policies/>

- (8) Other information material to the understanding of corporate governance within the Company:

A. The Company established the “Management Operation Measures for Internal Material Information Processing and Prevention of Insider Trading” in order to be used as a basis for the material information handling and disclosure of the Company. In addition, the Company also irregularly reviews the Regulations in order to comply with the current laws and management needs in practice. Furthermore, the internal personnel of the Company are also informed of internal material information precautions irregularly at the same time.

B. Employee Code of Conduct or Ethics

The Company has established the Code of Ethical Conduct in order to regulate the ethical conduct of employees, and its relevant content is as follows:

Green River Holding Co. Ltd.

Code of Ethical Conduct

Established by the Board of Directors on 2013/12/23

I. Purpose of Establishment

In recognition of the necessity to assist the Company in the establishment of a code of ethical conduct, this Code is adopted for the purpose of encouraging Directors, supervisors, and managerial officers of the Company (including president or their equivalents, vice president or their equivalents, deputy assistant general managers or their

equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company.

II. Content of the Code

1.Prevention of Conflicts of Interest:

Directors or managerial officers of the Company shall prevent conflicts of interest between any Directors or managerial officers and the Company. In the case of any conflict of interest involving or reasonably expected to possibly involve the Company, it shall be disclosed to the Chairman immediately.

Directors or managerial officers of the Company shall not cause themselves, their spouse, parents, children, or relatives within the third degree of kinship to gain any illegal benefits due to their job position in the Company.

To prevent conflicts of interest, in the case where the Company and the affiliates of the aforementioned personnel are subject to loaning of funds or providing guarantees, major asset transactions, etc., it shall be reviewed by the Board of Directors first, and shall be handled according to relevant laws and rules of the Company. Where the Company has business dealings of purchase (sales) of products with the affiliates of the aforementioned personnel, such dealings shall be handled according to relevant requirements specified in the purchase and sales cycle of the internal control written system of the Company.

2. Minimizing Incentives to Pursue Personal Gain:

The Company shall prevent its Directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using Company property or information or taking advantage of their positions. (2) Obtaining personal gain by using Company property or information or taking advantage of their positions. (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the Directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.

3 Confidentiality:

Directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

4 Fair Trade:

Directors and managerial officers of the Company shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5.Safeguarding and Proper Use of Company Assets:

Directors and managerial officers have the responsibility to safeguard Company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will directly impact the Company's profitability.

6. Legal Compliance:

The Board of Directors and managerial officers of the Company shall comply with the Securities and Exchange Act and requirements of the laws.

7. Encouraging Reporting on Illegal or Unethical Activities:

Directors and managerial officers of the Company shall raise awareness of ethics internally and encourage employees to report to the managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the Code of Ethical Conduct. To encourage employees to report illegal conduct, the Company shall provide rewards depending upon the situation according to relevant regulations once a report is verified to be true. The Company shall make employees aware that the Company will make its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary Measures:

When a Director of the Company violates this Code of Ethical Conduct, the Company shall report to the Board of Directors meeting and shareholders meeting for resolution, and shall handle the matter in accordance with the disciplinary measures. When a managerial officer of the Company violates this Code of Ethical Conduct, except where a major violation shall be reported to the Board of Directors, it shall be handled according to relevant regulations of the Company. However, where the violation of relevant laws is considered major, the Company shall pursue his or her civil and criminal legal liabilities in order to protect the rights and benefits of the Company and shareholders. After the disciplinary measure for the conduct violating this Code is confirmed, the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken shall be disclosed in a timely manner on the Market Observation Post System (MOPS).

9. Appeal System:

Where a Director or managerial officer of the Company violates this Code, if he or she is able to provide evidence, he or she may file an appeal immediately, and may submit relevant evidence documents to appropriate personnel and the Board of Directors or shareholders meeting (the violator shall adopt the recusal principle) for discussion in order to reach the final resolution.

Violating Unit	Appeal Acceptance Unit	Disciplinary Resolution Unit
Managerial Officer (excluding the President)	President	President, Board of Directors
President	Board of Directors	Board of Directors
Director	Other Directors	Shareholders' Meeting

III. Procedures for Exemption

Any exemption for Directors or managerial officers of the Company from compliance with the Code shall be adopted by a resolution of the Board of Directors, and information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the Code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

IV. Method of Disclosure

The Company shall disclose the Code of Ethical Conduct it has adopted, and any amendments to it, on the Company's website, in its annual reports and prospectuses, and on the MOPS.

V. Enforcement

The Company's Code of Ethical Conduct, and any amendments to it, shall enter into force after it has been adopted by the Board of Directors and/or Audit Committee, and submitted to a shareholders meeting.

(9) Internal Control System Execution Status

A. Internal Control System Declaration:

Green River Holding Co. Ltd.

Internal Control System Declaration

Date: March 13, 2024

The following declaration had been made based on the 2023 self-assessment result of the internal control policies of the Company and subsidiaries:

- I. The Company and subsidiaries acknowledge and understand that establishment, implementation, and maintenance of the internal control system are the responsibility of the Board of Directors and managerial officers, and that such a system has already been established throughout the Company and subsidiaries. The purpose of this system is to provide reasonable assurance in terms of achieving the objectives of business performance, efficiency (including profitability, performance, asset security, etc.), reliability, timeliness, transparency, regulatory compliance of financial reporting, and compliance with applicable laws, regulations, and bylaws, etc.
- II. The internal control system has its inherent limitations, and regardless of how perfect the design is, the effectiveness of the internal control system can only provide reasonable assurance of the achievement of the aforementioned three objectives. In addition, due to the changes in environment and circumstances, the effectiveness of the internal control system may be changed. However, the internal control system of the Company and subsidiaries are established with the self-supervision mechanism. Once a deficiency is identified, the Company and subsidiaries will then adopt corrective actions.
- III. The Company and subsidiaries evaluate the effectiveness of its internal control policy design and execution based on the criteria specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). The criteria introduced by the “Regulations” consist of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each major element further comprises several items. For the aforementioned items, please refer to the requirements of the “Regulations”.
- IV. The Company and subsidiaries have adopted the system determination items of the aforementioned internal control system in order to assess the design of the internal control system and the effectiveness of the execution.
- V. Based on the assessments described above, the Company and subsidiaries consider the design and execution of its internal control system to be effective as of December 31, 2023. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the business results of the Company and subsidiaries, objective accomplishments, reliability, timeliness, transparency, regulatory compliance of reporting, and relevant regulatory compliance related to the design of the internal control system and the effectiveness of the execution.
- VI. This declaration will become the main content of the Annual Report and other prospectuses in compliance of the Company and will be disclosed externally. In the case of any illegal conduct of severe falsehoods, concealing, etc. in the aforementioned publicly disclosed content, the Company shall bear the legal liabilities specified in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. This declaration was approved at the Company’s Board of Directors meeting held on March 13, 2024. None of the seven Directors present at the meeting held any objections, and they unanimously agreed to the contents of this declaration.

Green River Holding Co. Ltd.

Chairman: Hsieh, Jung-Hui

President: Huang, Teng-Shih

B. If the internal control policy was reviewed by an external auditor, the result of such review must be disclosed: None.

(10) If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(11) Major resolutions made by the Shareholders' Meeting and the Board of Directors Meetings during the latest financial year, up till the publication date of this Annual Report:

A. Major resolutions and execution status of 2023 shareholders' meetings are as follows:

Major Resolutions	Execution Status
Adoption of the 2022 Business Report and Consolidated Financial Statements Proposal	Approved through resolution.
Adoption of the Proposal for 2022 Deficit Compensation	Approved through resolution; all distributable surplus is set aside to offset the deficit and no distribution to shareholders.
Amendment to the Company's the Articles of Association	Approved through resolution; the amended provisions shall be implemented in accordance with the resolution of the shareholders' meeting.
Amendment to the Rules of Procedure for Shareholders' Meeting"	Approved through resolution; the amended provisions shall be implemented in accordance with the resolution of the shareholders' meeting.
Approval to the "Policies and Procedures for Loaning of Funds and Making of Endorsements Guarantees"	Approved through resolution; the amended provisions shall be implemented in accordance with the resolution of the shareholders' meeting.

B. There were a total of eight Board of Director's meetings held in 2023, and the major resolutions are summarized as follows:

Meeting Date	Major Resolution	Matters Specified in Article 14-5 of the Securities and Exchange Act	Opinion of All Independent Directors and Company's Handling of the Opinions Thereof	Resolution Result of the Board of Directors' Meeting or Audit Committee
2023/03/22 (2023 1 st Meeting)	(a) Proposal for 2022 Compensation of Directors and Employees' Compensation of the Company		None	Approved through resolution of the attending Directors
	(b) Relevant Matters Related to the Convention of the 2023 Annual Shareholders' Meeting of the Company			
	(c) Proposal for Amendment to the Company's the Articles of Association			
	(d) Proposal for Amendment to the Rules of Procedure for Shareholders Meetings			
	(e) Proposal for changing attesting CPA to comply with the internal rotation policy of the accounting firm and the evaluation of the new CPA engaged by the company	v		Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
	(f) Proposal for the 2022 loss off-setting of the Company	v		
	(g) Proposal for the 2022 Business Report and Consolidated Statements of the Company	v		
	(h) 2022 Internal Control System Declaration of the Company	v		
	(i) Proposal for Amendment to the "Procedures and Rules of Board of Directors Meeting", "Rules for the Operation and Management of the Board of Directors", "the Corporate Governance Best Practice Principles", "Regulations on Governing Related Party Transactions"	v		
	(j) Proposal for Amendment to the "Policies and Procedures for Loaning of Funds and Making of	v		

Meeting Date	Major Resolution	Matters Specified in Article 14-5 of the Securities and Exchange Act	Opinion of All Independent Directors and Company's Handling of the Opinions Thereof	Resolution Result of the Board of Directors' Meeting or Audit Committee
	Endorsements and Guarantees accordingly”			
2023/05/10 (2023 2 ^{ed} Meeting)	(a)Proposal for the first quarter of 2023 Business Report of the Company	v	None	Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
2023/08/23 (2023 3 rd Meeting)	(a)Proposal for the first half of 2023 Business Report and Consolidated Statements of the Company	v	None	Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
	(b)Proposal for the first half of 2023 Earnings Distribution of the Company	v		
2023/10/09 (2023 4 th Meeting)	(a)Proposal for amend expected Benefits of the Operational Strengthen Plan by the company's 2021 cash capital increase		None	Approved through resolution of the attending Directors
	(b)Proposal for sign an appointment contract and a legal compliance contract with Uni-President Securities Co., Ltd.			
	(c)Proposal for issue new shares for capital increase	v		Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
2023/11/10 (2023 5 th Meeting)	(a)Proposal for the third quarter of 2023 Business Report of the Company	v	None	Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
2023/11/22 (2023 6 th Meeting)	(a)Proposal for Managers and Directors with Employee Status to subscribe for the 2023 Cash Capital Increase		None	Approved through resolution of the attending Directors
	(b)Proposal for the 2024 Compensation of Directors and			

Meeting Date	Major Resolution	Matters Specified in Article 14-5 of the Securities and Exchange Act	Opinion of All Independent Directors and Company's Handling of the Opinions Thereof	Resolution Result of the Board of Directors' Meeting or Audit Committee
	Managerial Officers of the Company			
2023/11/28 (2023 7 th Meeting)	(a) Proposal for Cash Capital Increase Issuance Price		None	Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
2023/12/27 (2023 8 th Meeting)	(a) Proposal for the 2024 Business Plan of the Company		None	Approved through resolution of the attending Directors
	(b) Proposal for the 2024 Budget of the Company			
	(c) Proposal for the 2024 Audit Plan of the Company	v		Approved through resolution of the attending Directors/ approved by attending Audit Committee members.

C. Major resolutions made by the Shareholders' Meetings for 2024 and up to the printing date of the Annual Report are summarized as follows:

Meeting Date	Major Resolution	Matters Specified in Article 14-5 of the Securities and Exchange Act	Opinion of All Independent Directors and Company's Handling of the Opinions Thereof	Resolution Result of the Board of Directors' Meeting or Audit Committee
2024/03/13 (2024 1 st Meeting)	(a) Proposal for 2023 Compensation of Directors and Employees' Compensation of the Company		None	Approved through resolution of the attending Directors
	(b) Relevant Matters Related to the Convention of the 2024 Annual Shareholders' Meeting of the Company			
	(c) Proposal for Amendment to the Company's the Articles of Association			

Meeting Date	Major Resolution	Matters Specified in Article 14-5 of the Securities and Exchange Act	Opinion of All Independent Directors and Company's Handling of the Opinions Thereof	Resolution Result of the Board of Directors' Meeting or Audit Committee
	(d) Proposal of the Cancellation of the Company's Treasury Stocks from the Second Share Buyback program			
	(e) Election of the Directors			
	(f) Proposal for the evaluation of the CPA engaged by the company	v		Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
	(g) Proposal for the 2023 Deficit Compensation of the Company	v		
	(h) Proposal for the 2023 Business Report and Consolidated Statements of the Company	v		
	(i) 2023 Internal Control System Declaration of the Company	v		
	(j) Proposal for Amendment to the "Procedures and Rules of Board of Directors Meeting", "Rules for the Operation and Management of the Board of Directors", "Audit Committee Charter "	v		
	(k) Proposal of Release the Prohibition on Directors from Participation in Competitive Business	v		
2024/05/09 (2024 2 ^{ed} Meeting)	(a) Nominate and Confirm the Qualification of Directors and Independent Directors Candidates		None	Approved through resolution of the attending Directors
	(b) 2023 Sustainability Report			Approved through resolution of the attending Directors/ approved by attending Audit Committee members.
	(c) Proposal of Release the Prohibition on Directors from Participation in Competitive Business	v		
	(d) Proposal for the first quarter of 2024 Business Report of the Company	v		

- (12) Documented opinions or declarations made by Directors or Supervisors against Board resolutions in the most recent year, up till the publication date of this Annual Report: Up to the printing date of the 2022 Annual Report of the Company, there were no Directors with dissenting opinions on the major resolutions approved by the Board of Directors meetings.
- (13) Resignation or dismissal of the Chairman, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief R&D officer in the most recent year up till the publication date of this Annual Report: None

5. Information of Independent Auditor's Fee

Independent Auditor's Fee Information

Unit: In of New Taiwan Dollars

CPA Firm	Name of CPA		Audit Period	Audit fees	Non-audit fees	Total	Remarks
KPMG	Chiang, Chia-Chi	Chao, Min-Ju	2023	7,982	—	7,982	Non-audit fee: Collateral Check

- (1) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more: None.
- (2) When the accounting firm is changed and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change: None.

6. Change of CPA's Information

None.

7. The Company's Chairman, President, and Managers in charge of its finance and accounting operations holding any positions within the accounting firm of the CPA or its affiliates in the most recent year

None.

8. Any transfer of equity interests and/or pledge of during the most recent fiscal year or up to the date of publication of this annual report by a director, supervisor, managerial officer, or a shareholder with a stake of more than 10%

- (1) Equity transfer and change status of Directors, supervisors, managerial officers, and major shareholders:

Job Title	Name	2023		2024 up to the Date Of April 27	
		Increase (Decrease) of Shareholding	Increase (Decrease) of Pledged Shares	Increase (Decrease) of Shareholding	Increase (Decrease) of Pledged Shares
Chairman and President	Hsieh, Jung-Hui	—	—	—	—
Director	Chin Tai Holding Inc.	—	—	—	—
CSO	Representative: Li, Mu-Wen	—	—	—	—
Director	Forward Thinking Limited	—	—	—	—
CEO and COO	Representative: Huang, Teng-Shih	(30,000)	—	(65,000)	—
Director	Park Island Enterprises Limited	—	—	—	—
	Representative: Du, King-Ling	12,033	—	—	—
Independent Director	Chang, Jun-En	—	—	—	—
Independent Director	Pai, Pei-Lin	—	—	—	—
Independent Director	Chen, Yu-Hsuan	—	—	—	—
Major shareholder	Green Source Investments Ltd.	—	—	—	—
CFO	Wang, Sheng-Feng	—	—	—	—
Accounting Manager and Corporate Governance Officer	Wang, Ping-Hsun	54,016	—	—	—

(2) Where the counterparty of equity transfer is a related party:

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors, Managers and Major Shareholders with a stake of more than 10%	Shares	Transaction Price (NT\$)
Huang, Teng-Shih	Endowments	2023/12/25	HUANG, YU-JIE	Children of directors of the Company	50,000	37.45
		2024/01/22			65,000	35.90

(3) Where the counterparty of equity pledge is a related party: None.

9. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another (including shareholders with a stake of 5 percent or greater)

April 27, 2024

	Name	Current Shareholding		Shares Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
		Shares Held	%	Shares Held	%	Shares Held	%	Name	Relationship	
1	Green Source Investments Ltd	36,612,348	36.44%	0	0.00%	0	0.00%	Hsieh, Jung-Hui	Note 1	—
	Representative: Hsieh, Jung-Hui	7,369,032	7.33%	524,967	0.52%	0	0.00%			
2	Hsieh, Jung-Hui	7,369,032	7.33%	524,967	0.52%	0	0.00%	Green Source Investments Ltd Representative: Hsieh, Jung-Hui	Note 1	—
								Sheh Fung Screws Co., Ltd Representative: Du, Tai-Yuan	Note 2	
								Hsieh, Cheng-En	Note 3	
3	Prosperity Growth Limited	5,807,500	5.78%	0	0.00%	0	0.00%	—	—	—
	Representative: Chen, Chien-Yu	0	0.00%	0	0.00%	0	0.00%			
4	Jetwin Holdings Limited	4,396,277	4.38%	0	0.00%	0	0.00%	—	—	—
	Representative: Cheng, Chih-Wen	456,586	0.45%	0	0.00%	0	0.00%			
5	Chin Tai Holding Inc.	4,110,548	4.09%	0	0.00%	0	0.00%	—	—	—
	Representative: Li, Mu-Wen	306,748	0.31%	0	0.00%	0	0.00%	—	—	—
6	Sheh Fung Screws Co., Ltd	2,939,772	2.93%	0	0.00%	0	0.00%	Hsieh, Jung-Hui	Note 2	—
	Representative: Du, Tai-Yuan	0	0.00%	0	0.00%	0	0.00%			
7	Citibank hosting UOB Kay Hian (HK)- Client Account	2,489,939	2.48%	0	0.00%	0	0.00%	—	—	—
8	Hsieh, Cheng-En	2,214,827	2.20%	0	0.00%	0	0.00%	Hsieh, Jung-Hui	Note 3	—
9	Citibank hosting First Securities (HK) investment agent account	2,167,490	2.16%	0	0.00%	0	0.00%	—	—	—
10	Chen, Yi-Hua	2,066,613	2.06%	0	0.00%	0	0.00%	—	—	—

Note 1: The director of Green Source Investments Ltd. is Hsieh, Jung-Hui.

Note 2: The major shareholder and Representative of Sheh Fung Screws Co., Ltd. is a relative of the second degree of kinship of Hsieh, Jung-Hui.

Note 3: Hsieh, Cheng-En is a relative of the first degree of kinship of Hsieh, Jung-Hui.

10. Ownership of Shares in Affiliated Enterprises

May 9, 2024; Unit: Shares; %

Investee (Note 1)	Investment of the Company		Investment of Directors, Supervisors, Managerial Officers, and Directly or Indirectly Controlled Enterprises		Consolidated Investment	
	Shares Held	%	Shares Held	%	Shares Held	%
GP	10,399,998	100.00%	2	0.00%	10,400,000	100.00%
GPT	8,749,997	100.00%	3	0.00%	8,750,000	100.00%
HM	113,661,000	100.00%	—	0.00%	113,661,000	100.00%
TDICS	1,530,000	85.00%	18	0.00%	1,530,018	85.00%
GRW	999,998	100.00%	2	0.00%	1,000,000	100.00%
GRP	483,871	48.39%	4	0.00%	483,875	48.39%
TNR	599,997	100.00% (Note 2)	3	0.00%	600,000	100.00% (Note 2)

Note 1: The Company adopts the investment accounted for under the equity method.

Note 2: The Company indirectly invested TNR for 100% through GRP, and the substantial consolidated shareholding percentage is 48.39%.

IV. Status on Financing

1. Capital and Shares

(1) Source of Capital

A. Type of Stock

May 9, 2024; Unit: Shares

Share Type	Authorized Capital			Note
	Outstanding Capital Stock	Unissued Stocks	Total	
Common Stock	100,466,845	49,533,155	150,000,000	The Stock listed on TPEx market

B. Capital Stock Formation Process

May 9, 2024; Unit: New Taiwan Dollars

Year/ Month	Issuance Price	Authorized Capital		Paid-in Capital		Note				
		Shares Held	Amount	Shares Held	Amount	Source of Capital	Effective Date	Document No.	Paid-in Properties Other Than Cash	Others
2011/01	10	150,000,000	1,500,000,000	1	10	Founding Capital	—	—	—	Note 1
2011/12	10	150,000,000	1,500,000,000	42,430,001	424,300,010	Share Exchange	—	—	—	Note 1
2012/02	10	150,000,000	1,500,000,000	50,000,001	500,000,010	Share Exchange	—	—	—	Note 1
2012/07	10	150,000,000	1,500,000,000	56,500,000	565,000,000	Capital Surplus Transferred to Capital NT\$ 64,999,990	—	—	—	Note 1
2012/07	10	150,000,000	1,500,000,000	60,000,000	600,000,000	Cash Capital Increase NT\$ 35,000,000	—	—	—	Note 1
2013/12	10	150,000,000	1,500,000,000	66,600,000	666,000,000	Cash Capital Increase NT\$ 66,000,000	2013/10/15	Jin-Guan-Zheng-Fa-Zi No. 1020041399 Letter	—	—
2015/10	10	150,000,000	1,500,000,000	73,600,000	736,000,000	Cash Capital Increase NT\$ 70,000,000	2015/09/30	Zheng-Gui-Shen-Zi No.1040027092 Letter	—	—
2015/11	10	150,000,000	1,500,000,000	74,030,000	740,300,000	Issuance of Restricted Shares NT\$ 4,300,000	2015/09/21	Jin-Guan-Zheng-Fa-Zi No. 1040038332 Letter	—	—

Year/ Month	Issuance Price	Authorized Capital		Paid-in Capital		Note				
		Shares Held	Amount	Shares Held	Amount	Source of Capital	Effective Date	Document No.	Paid-in Properties Other Than Cash	Others
2017/08	10	150,000,000	1,500,000,000	74,770,300	747,703,000	Capitalization of Earnings NT\$ 7,403,000	2017/07/27	Taipei Exchange Declaration No. 106072601	—	—
2019/03	10	150,000,000	1,500,000,000	73,770,300	737,703,000	Capital Reduction (cancellation of treasury shares) NT\$ 10,000,000	2019/04/02	Taipei Exchange Declaration No. 108032901	—	—
2020/08	10	150,000,000	1,500,000,000	84,766,845	847,668,450	Capitalization of Earnings NT\$ 109,965,450	2020/08/05	Taipei Exchange Declaration No. 109080501	—	—
2021/10	10	150,000,000	1,500,000,000	89,766,845	897,668,450	Cash Capital Increase NT\$ 50,000,000	2021/08/20	Jin-Guan-Zheng-Fa-Zi No. 1100352557 Letter	—	—
2023/12	10	150,000,000	1,500,000,000	100,766,845	1,007,668,450	Cash Capital Increase NT\$ 110,000,000	2023/11/15	Jin-Guan-Zheng-Fa-Zi No. 1120359809 Letter	—	—
2024/03	10	150,000,000	1,500,000,000	100,466,845	1,004,668,450	Capital Reduction (cancellation of treasury shares) NT\$ 3,000,000	2024/03/21	Taipei Exchange Declaration No. 113032001	—	—

Note 1: The Company applied for public offering declaration and it became effective in January 2013. Therefore, there was no need to obtain the approval document number for the period before 2012.

C. Shelf registration system related information: Not applicable.

(2) Shareholders Structure

April 27, 2024; Unit: Number of shareholders; Share; %

Shareholders Structure Quantity	Government Agency	Financial Institution	Investment from Mainland China	Other Juridical Person	Domestic Natural Persons	Foreign Institution and Natural Person	Total
Number of Shareholders	—	2	—	22	1,341	37	1,402
Shareholding (shares)	—	28,011	—	9,756,261	32,049,034	58,633,539	100,466,845
Shareholding Percentage	—	0.03%	—	9.71%	31.90%	58.36%	100.00%

Note: The “foreign institution and natural person” described in this table refers to non-R.O.C individuals or juridical persons.

(3) Shareholding Distribution Status

A. Common Shares Dispersion Status

April 27, 2024; Unit: Number of Shareholders; Share; %

Class of Shareholding	Number of Shareholders	Shareholding (shares)	Shareholding Percentage (%)
1 - 999	329	32,682	0.03
1,000 - 5,000	662	1,301,114	1.29
5,001 - 10,000	111	861,587	0.86
10,001 - 15,000	65	829,784	0.83
15,001 - 20,000	27	493,093	0.49
20,001 - 30,000	46	1,122,606	1.12
30,001 - 40,000	27	925,581	0.92
40,001 - 50,000	16	750,072	0.75
50,001 - 100,000	48	3,396,409	3.38
100,001 - 200,000	24	3,401,983	3.39
200,001 - 400,000	21	5,932,613	5.90
400,001 - 600,000	8	3,797,883	3.78
600,001 - 800,000	5	3,374,561	3.36
800,001 - 1,000,000	—	—	—
1,000,001 or Above	13	74,246,877	73.90
Total	1,402	100,466,845	100.00

B. Preferred Shares: The Company does not issue preferred shares.

- (4) List of Major Shareholders: Name, shareholding quantity, and percentage of shareholders with shareholding percentage reaching above 5% or shareholders of the top 10 shareholding percentage.

April 27, 2024; Unit: Shares; %

Name of Major Shareholder	Shares	Shareholding (shares)	Shareholding Percentage (%)
Green Source Investments Ltd		36,612,348	36.44
Hsieh, Jung-Hui		7,369,032	7.33
Prosperity Growth Limited		5,807,500	5.78
Jetwin Holdings Limited		4,396,277	4.38
Chin Tai Holding Inc.		4,110,548	4.09
Sheh Fung Screws Co., Ltd		2,939,772	2.93
Citibank hosting UOB Kay Hian (HK)- Client Account		2,489,939	2.48
Hsieh, Cheng-En		2,214,827	2.20
Citibank hosting First Securities (HK) investment agent account		2,167,490	2.16
Chen, Yi-Hua		2,066,613	2.06

- (5) Market price, net worth, earnings, dividends per share, and relevant information for the last two years.

Unit: New Taiwan Dollars

Item		Year	2022	2023	2024 up to March 31
Market Price per Share (Note 1)	Highest		138.00	65.60	43.90
	Lowest		90.00	31.50	35.45
	Average		71.90	39.52	38.49
Net Worth per Share	Before Distribution		19.04	15.03	10.94
	After Distribution		19.04	15.03 (Note 2)	10.94 (Note 2)
Earnings per Share	Weighted Average Shares (Thousand Shares)		89,224	89,181	99,970
	Earnings per Share (Loss)	Before Retroactive Adjustment	(8.82)	(6.98)	(2.96)
		After Retroactive Adjustment	(8.82)	(6.98) (Note 2)	(2.96) (Note 2)
Dividends per Share	Cash Dividends		0.30000001	(Note 2)	—
	Free Gratis Dividends	Dividends From Retained Earnings	—	(Note 2)	—
		Dividends From Capital Surplus	—	(Note 2)	—
	Accumulated Undistributed Dividends		—	—	—
Return on Investment (ROI) Analysis (Note 3)	Price/Earnings Ratio (PER)		(8.15)	(5.66) (Note 2)	—
	Price/Dividend Ratio (PDR)		—	(Note 2)	—
	Cash Dividend Yield Rate		—	(Note 2)	—

Note 1: This indicates the highest and lowest market price of common shares in each year, and the average market price of each year is calculated according to the closing trading value and trading volume of each year.

Note 2: To be resolved in the 2024 shareholders' meeting.

Note 3: Price/Earnings Ratio = Average Market Price/Earnings per Share; Price/Dividend Ratio = Average Market Price/Cash Dividends per Share; Cash Dividend Yield Rate = Cash Dividends per Share/Average Market Price.

(6) Dividend Policy and Implementation Status

A. Dividend Policy of the Company

During the period when the shares are registered for Emerging Stock Market(ESM) or listed on the TWSE or TPEx, during the proposal of distribution of earnings in the Board of Directors' meeting, the following shall be set aside from the earnings of each fiscal

year first: (a) a reserve for payment of tax for the relevant financial year; (b) an amount to offset losses incurred in previous years; (c) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules ; and (d) other reserves as determined by the Board for specific purposes. Thereafter, having considered the financial, business and operational factors, including the Company being in the growth stage while competing in a mature industry, its capital expenditure, future expansion projects and financial plans for long term development, the account to be distributed as dividends shall not be less than ten percent (10%) of remaining profits. After combining all or part of the accumulated undistributed profits in the previous years and the reversed special surplus reserve, the combined amount shall be allocated as dividends to the shareholders subject to the discretion of the directors and upon approval by the shareholders. Dividends shall be made by way of cash dividend only, or stock dividend only or a combination of cash dividend and stock dividend, provided however that, if the dividend is distributed by way of a combination of cash dividend and stock dividend, the cash dividend shall not be less than ten per cent (10%) of all of the dividends distributed in the current year according to this provision.

The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on a semi-year basis. When the Company makes the interim distribution, the Company shall (a) estimate and reserve all payable taxes and (b) offset losses incurred in previous years.

B. Distribution of Dividends Proposed for Resolution in the Present Shareholders' Meeting:

The proposal of the 2023 Deficit Compensation of the Company was approved through the resolution of the Board of Directors' meeting on March 13, 2024, and the following is proposed: No dividends will be distributed for 2023.

C. Explanation on Expected Major Changes: There are no major changes in the expected dividend policy of the Company.

(7) Impact of the Gratuitous Dividend Distribution Proposed in the Present Shareholders' Meeting on the Business Performance of the Company and Earnings per Share

It is not applicable due to the Company did not prepare and disclose the financial forecast in 2023.

(8) Employee Bonus and Directors' and Supervisors' Compensation:

A. Information Relating to Employees', Directors', and Supervisors' Compensation in the Articles of Incorporation

If there is surplus profit for the year, the Company shall set aside no less than zero point one per cent (0.1%) of the pre-tax profit as employee compensation and no more than three per cent (3%) of the pre-tax profit as compensation for the Directors. However, if the Company has accumulated losses in previous years, it shall reserve an amount of the pre-tax profit for offsetting the accumulated losses. The employee compensation shall be distributed in the form of stock or cash and may be distributed to employees of the Company's Subsidiaries, if such employees satisfy certain qualifications as may be resolved by the Board from time to time.

B. The Estimated Basis for Calculation of Employees', Directors', and Supervisors' Compensation, the Share Calculation Basis for the Distribution of Employees' Compensation in the Form of Shares, and the Accounting Handling for any Discrepancy Between the Actual Distribution Amount and the Estimated Value

The Company has no supervisors. The Company accrued compensation to employees based on the Company's pretax profit excluding the compensation to employee and directors of each period, multiplied by the percentage of compensation to employee and directors as specified in the Company's articles of association. The compensation was recognized under operating expense in the current year. If compensation to employee is resolved to be distributed in stock, the number of shares is determined by dividing the amount of compensation by the closing price of the shares on the day preceding the Board of Directors' meeting. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized to issue, the differences are accounted for as a change in an accounting estimated and adjusted prospectively to next year's profit or loss.

C. Compensation Distribution Status Approved by the Board of Directors Meeting

- (a) Employees' compensation and compensation of Directors and Supervisors distributed in cash or shares. If there is a difference in the expense annual estimation amount recognized, then the difference amount, reason, and handling status shall be disclosed.

Based on the resolution of the Board of Directors during their meeting on March 13, 2024, the Company decided not to distribute employees' or directors' compensation, and there was no difference in the accrued amount of the Company for 2023.

- (b) Employees' remuneration distributed in shares and the ratio over the entity or individual financial report net profit in the current period and the employees' remuneration total amount: Not applicable.

D. Actual distribution status of employees', Directors', and Supervisors' compensation in the last year (including the distributed number of shares, amount, and share price), and any discrepancy with the employees', Directors', and supervisors' compensation recognized, and describe the difference amount, reason, and handling status.

Based on the resolution of the Board of Directors during their meeting on March 22, 2023 the Company decided not to pay 2022 compensations of employees and directors which was the same as the accrued amount for 2022.

(9) Repurchase of the Company's Stocks:

May 9, 2024

Buyback Number	1 st Time	2 nd Time	3 rd Time
Purpose of the buyback	Maintain Company's Credit and Shareholders' Rights and Benefits	Transfer Shares to Employees	Transfer Shares to Employees
Buyback period	2018/11/09~ 2019/01/08	2019/01/14~ 2019/03/11	2022/06/16~ 2022/08/12
Planned range of buyback share price	NT\$ 75-163	NT\$ 75-159	NT\$ 50-96.5
Type and Quantity of shares bought back	Common Stocks 1,000,000 Shares	Common Stocks 460,000 Shares	Common Stocks 497,000 Shares
Total value of shares bought back	NT\$ 103,543,932	NT\$ 45,149,490	NT\$ 24,484,078
Number of shares bought back as a percentage of planned number of shares to be bought back	100%	76.67%	99.40%
Number of Cancelled or Transferred shares	1,000,000 Shares	460,000 Shares	0 Shares
Accumulated Number of Company Shares Held	497,000 Shares		
Current number of shares bought back as a percentage of total outstanding shares	0.49%		

2. Corporate Bonds

None.

3. Preferred Stock Handling Status

None.

4. Global Depository Receipts Handling Status

None.

5. Employee Stock Option Certificate Handling Status

None.

6. New Shares with Restricted Rights to Employees ("Restricted Shares") Status

- (1) Where the restricted shares have not yet satisfied the required criteria in full, the status up to the printing date of the Annual Report and the impacts on the shareholders' rights and benefits shall be disclosed: All of the restricted shares issued by the Company have satisfied the required criteria in full.
- (2) The name of employees and status of receipt of managerial officers and top ten employees receiving restricted shares accumulated up to the printing date of the Annual Report:

May 9, 2024; Unit: In Thousands of Shares; in Thousands of New Taiwan Dollars; %

Item	Job Title	Name	Number of Restricted Shares	Restricted Shares as a Percentage of Shares Issued (Note 2)	Released				Unreleased			
					Number of Released Restricted Shares	Issued Price	Amount	Released Restricted Shares as a Percentage of Shares Issued (Note 2)	Number of Unreleased Restricted Shares	Issued Price	Amount	Unreleased Restricted Shares as a Percentage of Shares Issued (Note 2)
Managerial Officer	Chairman and President	Hsieh, Jung-Hui	380	0.42%	380	0	0	0.42%	0	0	0	0.00%
	CFO	Wang, Sheng-Feng										
Employee (Note 1)		Li, Ying-Hung (resigned)	50	0.06%	50	0	0	0.06%	0	0	0	0.00%

Note 1: The top ten employees receiving the restricted shares refer to employees other than managerial officers.

Note 2: The total number of shares issued refers to the number of shares listed in the registration alternation information at MOEA.

7. Issuance of New Shares in Connection With Mergers or Acquisitions or With Acquisitions of Shares of Other Companies

None.

8. Financing Plans and Implementation Status

Up to the printing date of the Annual Report of the last quarter, any previous issuances or private placements of securities not yet completed or those completed in the last three years with plan effectiveness not yet revealed:

(1) 2017 First Domestic Secured Corporate Bonds.

A. Plan Content

(a) Effective Date and Document Number of Competent Authority: The issuance of the bonds was approved by TPEx with the approval document number Cheng-Kuei Chai 10600117641 on May 11, 2017.

(b) Total Amount of Funds Required For This Plan: NT\$ 3,381,620 thousand.

(c) Source of Funds

- Issued 2017 First Domestic Secured Corporate Bonds for 3,300 bonds, and the denomination of NT\$ 1,000 thousand for each unit, for a total amount of NT\$ 3,300,000 thousand.
- The remaining amount of NT\$ 81,620 thousand will be covered with own funds or loans from the bank.

(d) Plan Item and Fund Utilization Progress

Unit: In Thousands of NTD/THB

Plan Items	Expected Completion Date	Total Amount of Funds Needed		Expected Fund Utilization Progress										Total
				2017 2 nd Quarter	2017 3 rd Quarter	2017 4 th Quarter	2018 1 st Quarter	2018 2 nd Quarter	2018 3 rd Quarter	2018 4 th Quarter	2019 1 st Quarter	2019 2 nd Quarter	2019 3 rd Quarter	
Purchase of Land and Expansion of Plants	2019 3 rd Quarter	THB	1,100,000	449,600	151,200	194,057	162,286	22,857	17,144	25,714	25,714	25,714	25,714	1,100,000
		NTD	978,890	400,099	134,553	172,691	144,418	20,340	15,257	22,883	22,883	22,883	22,883	978,890
Purchase of Equipment	2019 2 nd Quarter	THB	2,700,000	517,750	38,750	795,350	38,750	285,600	519,000	257,100	67,550	180,150	—	2,700,000
		NTD	2,402,730	460,746	34,484	707,782	34,484	254,155	461,858	228,793	60,113	160,315	—	2,402,730
Total		THB	3,800,000	967,350	189,950	989,407	201,036	308,457	536,144	282,814	93,264	205,864	25,714	3,800,000
		NTD	3,381,620	860,845	169,037	880,473	178,902	274,495	477,115	251,676	82,996	183,198	22,883	3,381,620

Note: The exchange rate of THB: NTD is 1:0.8899 for the calculation.

(e) Expected Benefits Possibly Generated:

The fundraising plan of the Company is used for the purchase of land and expansion of plants as well as the purchase of equipment in order to manufacture particle boards. The expected production capacity is 528,000 cubic meters. It is expected that after the mass production starting in the 4th quarter of 2019, the increased benefit of particle board products is as follows:

Unit: Cubic Meters; In Thousands of New Taiwan Dollars

	2019 (estimation)	2020 (estimation)	2021 (estimation)	2022 (estimation)	2023 (estimation)	Total
Production Quantity	132,000	528,000	528,000	528,000	528,000	2,244,000
Sales Quantity	132,000	528,000	528,000	528,000	528,000	2,244,000
Operating Revenue	540,540	2,162,160	2,162,160	2,162,160	2,162,160	9,189,180
Gross Profit	216,216	864,864	864,864	864,864	864,864	3,675,672
Operating Expenses	43,214	172,854	172,854	172,854	172,854	734,630
Net Operating Profit (A)	173,002	692,010	692,010	692,010	692,010	2,941,042
Non Operating Income (Expenses)	(6,909)	(23,875)	(15,163)	(5,107)	—	(51,054)
Net Income Before Tax	166,093	668,135	676,847	686,903	692,010	2,889,988
Depreciation Expenses (B)	29,813	119,250	119,250	119,250	119,250	506,813
Cash Flow Generated From Operations (A)+(B)	202,815	811,260	811,260	811,260	811,260	3,447,855

(f) Revision of the Expected Benefits Possibly Generated from the Original Plan

i. The first revision :

a. Revision Reason : The completion of the plan was expected in the third quarter of 2019, but the time of selection of contractors is later than expected, postponing the kick-off date. Also, the monsoon season caused the construction progress has been delayed. The overall construction and installation have been accomplished until the fourth quarter of 2019. The plant has officially operated since the second quarter, 2020. Due to the construction period being longer than expected and the payment schedule being delayed, the plan has to be completed in the second quarter of 2020 and revise the expected benefits possibly generated.

b. The Revised Expected Benefits Possibly Generated : As the postponed reason mentioned above, the proposal for amend expected Benefits of 2017 First Domestic Secured Corporate Bonds has been pass through the BOD meeting on July 15,2021 which as followed :

1) Purchase of Land, Equipment and Expansion of Plants: The Company adjusted the expected benefits of the original plan for the period from 2020 to 2024. By purchasing land and equipment and expanding the plants for Particleboard production, it will increase operating income by NT\$14,275,383 thousand and operating profit by NT\$3,077,159 thousand and generate cash inflow from operations of NT\$3,692,684 thousand.

Unit: Cubic Meters; In Thousands of New Taiwan Dollars

	2019 (actual)	2020 (actual)	2021 (estimation)	2022 (estimation)	2023 (estimation)	2024 (estimation)	Total
Production Quantity	—	332,047	718,906	783,600	783,600	783,600	3,401,753
Sales Quantity	—	335,264	688,732	806,600	783,600	783,600	3,397,796
Operating Revenue	—	1,107,275	3,027,952	3,469,140	3,327,844	3,327,844	14,260,055
Gross Profit	—	188,009	996,473	1,253,455	1,125,643	1,125,643	4,689,223
Operating Expenses	—	140,791	429,539	391,539	333,912	333,912	1,629,693
Net Operating Profit (A)	—	47,218	566,934	861,916	791,731	791,731	3,059,530
Non Operating Income (Expenses)	—	(39,330)	(63,682)	(52,745)	(49,802)	(43,335)	(248,894)
Net Income Before Tax	—	7,888	503,252	809,171	741,929	748,396	2,810,636
Depreciation Expenses (B)	—	75,775	133,564	135,406	135,406	135,406	615,557
Cash Flow Generated From Operations (A)+(B)	—	122,993	700,498	997,322	927,137	927,137	3,675,087

2) Since there are more equipment suppliers than expected to participate in the initial stage, and the proposals provided by each supplier are different, the Company carefully evaluates the pros and cons of each proposal to maximize benefits. As a result, the total purchase price of primary equipment is lower than expected; the Company centralized the purchase of reinforced cement concrete and other primary building materials; disperse projects detail for sub-biddings to further reduce the cost of plant construction. The Company reported to the Board of Directors on May 8th, 2020, that the remaining fund amounting to 213,520 thousand will increase working capital to reduce bank financing activities and decrease interest expenses.

ii. The second revision :

a. Revision Reason : In 2022, a combination of factors such as inflation, interest rate hikes, global economic recession, and geopolitical events have impacted our business, leading to a decline in orders from Chinese customers and a subsequent decrease in overall shipments. The reduction in capacity utilization at our third particle board plant has also been a concern. Despite these challenges, we have identified an opportunity in Chinese consumers' increasing demand for high-end products such as E0 and P2. As a response, we intensify our research and development efforts and enhance the production efficiency of those products from the second half of 2023. This strategic shift will allow us to increase the sales proportion of high-end products, ultimately reducing our net operating loss. This approach yields significant benefits, and we are revising our original expected benefit to reflect these positive outcomes.

b. The Revised Expected Benefits Possibly Generated : As the postponed reason mentioned above, the proposal for amend expected Benefits of 2017 First Domestic Secured Corporate Bonds which as followed :

Unit: Cubic Meters; In Thousands of New Taiwan Dollars

	2020 (actual)	2021 (actual)	2022 (actual)	2023 (estimation)	2024 (estimation)	2025 (estimation)	2026 (estimation)	2027 (estimation)	2028 (estimation)	2029 (estimation)	Total
Production Quantity	332,047	632,056	433,518	529,245	574,000	636,060	636,060	636,060	636,060	636,060	5,681,166
Sales Quantity	335,264	595,304	406,984	568,740	588,090	636,060	636,060	636,060	636,060	636,060	5,674,682
Operating Revenue	1,107,275	2,516,679	1,847,796	2,168,227	2,345,793	2,619,996	2,619,996	2,619,996	2,619,996	2,619,996	23,085,750
Gross Profit	188,009	670,003	277,438	165,433	482,219	563,194	563,194	563,194	563,194	563,194	4,599,072
Operating Expenses	140,791	421,165	371,116	262,234	272,774	303,249	303,249	303,249	303,249	303,249	2,984,325
Net Operating Profit (A)	47,218	248,838	(93,678)	(96,801)	209,445	259,945	259,945	259,945	259,945	259,945	1,614,747
Non Operating Income (Expenses)	(39,330)	(60,288)	(56,862)	(58,367)	(57,338)	(47,686)	(38,165)	(28,329)	(18,439)	(10,670)	(415,474)
Net Income Before Tax	7,888	188,550	(150,540)	(155,168)	152,107	212,259	221,780	231,616	241,506	249,275	1,199,273
Depreciation Expenses (B)	75,775	130,782	157,719	188,866	190,513	187,562	185,708	185,323	184,593	184,593	1,671,434
Cash Flow Generated From Operations (A)+(B)	122,993	379,620	64,041	92,065	399,958	447,507	445,653	445,268	444,538	444,538	3,286,181

(g) Change of Plan Content: None.

(h) Date of Input onto MOPS: May 11, 2017.

B. Comparison between the Execution Status and Original Expected Benefit

(a) Execution Status

Unit: In Thousands of New Taiwan Dollars

Plan Items			Execution Status													Reason of progress advances or delays, impacts on the shareholders' rights and benefits, and improvement plan:
			2017 2 nd Quarter	2017 3 rd Quarter	2017 4 th Quarter	2018 1 st Quarter	2018 2 nd Quarter	2018 3 rd Quarter	2018 4 th Quarter	2019 1 st Quarter	2019 2 nd Quarter	2019 3 rd Quarter	2019 4 th Quarter	2020 1 st Quarter	2020 2 st Quarter	
Purchase of Land and Expansion of Plants	Amount of Cost	Estimated	400,099	134,553	172,691	144,418	20,340	15,257	22,883	22,883	22,883	22,883	—	—	—	The time of selection of contractors is later than expected, and the effect of local weather condition caused the overall construction and installation of the plant has completed until the fourth quarter, 2019, which lead to the payment schedule was delayed than expected. Also, the Company pays the last payment after warranty according to most of the finalized contracts with our contractors. Therefore, the reason for the delay of the present fund utilization progress is reasonable. The equipment is installed and commissioned completed; the plant has officially operated since June 2020. The accumulated expenditure of this plan amounted to 3,086,480 thousand. The Company has reported to the Board of Directors that the remaining fund amounting to 213,520 thousand will be used in increasing working capital; the fund has executed completely.
		Actual	194,091	1,903	44,018	30,316	49,310	70,478	117,955	155,236	89,953	57,171	39,038	37,444	16,135	
	Execution Progress (%)	Estimated	40.87%	13.74%	17.64%	3.09%	13.75%	1.55%	2.34%	2.34%	2.33%	2.35%	—	—	—	
		Actual	19.82%	0.19%	4.50%	4.50%	3.64%	7.19%	12.06%	15.86%	9.18%	5.85%	3.98%	3.83%	1.65%	
Purchase of Equipment	Amount of Cost	Estimated	460,746	34,484	707,782	34,484	254,155	461,858	228,793	60,113	160,315	—	—	—	—	
		Actual	—	1,106	99,750	52,249	7,709	78,526	595,802	310,756	261,609	161,666	199,921	256,835	157,503	
	Execution Progress (%)	Estimated	19.17%	1.43%	29.46%	1.44%	10.58%	19.22%	9.52%	2.50%	6.67%	0.01%	—	—	—	
		Actual	0.00%	0.04%	4.15%	2.17%	0.33%	3.27%	24.79%	12.94%	10.88%	6.73%	8.32%	10.69%	10.69%	

(b) Comparison With the Original Expected Benefit

Unit: Cubic Meters; In Thousands of New Taiwan Dollars

	2019 (estimation)	2019 (actual)	2020 (estimation)	2020 (actual)	2021 (estimation)	2021 (actual)	2022 (estimation)	2022 (actual)	2023 (estimation)	2023 (actual)
Production Quantity	132,000	—	528,000	332,047	718,906	632,056	783,600	433,518	529,245	537,582
Sales Quantity	132,000	—	528,000	335,264	688,732	595,304	806,600	406,984	568,740	563,336
Operating Revenue	540,540	—	2,162,160	1,107,275	3,027,952	2,516,679	3,469,140	1,847,796	2,168,227	2,191,514
Gross Profit	216,216	—	864,864	188,009	996,473	670,003	1,253,455	277,438	165,433	130,278
Operating Expenses	43,214	—	172,854	140,791	429,539	421,165	391,539	371,116	262,234	247,436
Net Operating Profit (Loss) (A)	173,002	—	692,010	47,218	566,934	248,838	861,916	(93,678)	(96,801)	(117,158)
Non Operating Income (Expenses)	(6,909)	—	(23,875)	(39,330)	(63,682)	(60,288)	(52,745)	(56,862)	(58,367)	(57,613)
Net Income (Loss) Before Tax	166,093	—	668,135	7,888	503,252	188,550	809,171	(150,540)	(155,168)	(174,771)
Depreciation Expenses (B)	29,813	—	119,250	75,775	133,564	130,782	135,406	157,719	188,866	188,497
Cash Flow Generated From Operations (A)+(B)	202,815	—	811,260	122,993	700,498	379,620	997,322	64,041	92,065	71,339

The latest plant (GPT) officially operates in June 2020; there is no actual benefit generated available for comparison in 2019. In 2020, the actual benefit of GPT is lower than the estimated benefit due to the postponement of operating and the prolonging testing and adjustments. In 2021, sales volume decreased due to the lockdown in Malaysia; the impact of the rainy season and the fluctuations in international crude oil prices increased raw material costs and operating costs, resulting in lower actual benefits than the previous estimation. In 2022, US FED hiked interest rates, and the Russo-Ukrainian war, etc., impacted inflation and global economic recession, which caused the Company's sales volume and operating income to decline. As a result, the actual benefit is lower than the estimated benefit. In 2023, the Company was committed to staying attuned to market trends, refining production, and marketing

strategies, pursuing enhancements in multiple areas, adapting our business strategies with agility, and improving the R&D ability for high-end products and production efficiency. The difference between the expected initial benefit and actual status is slight.

(c) Financial Item Analysis

Unit: In Thousands of New Taiwan Dollars

Item	2019 (Consolidated)	2020 (Consolidated)	2021 (Consolidated)	2022 (Consolidated)	2023 (Consolidated)	2024 1 st Quarter (Consolidated)
Property, Plants, and Equipment	7,104,111	7,497,180	6,700,256	6,955,171	6,604,824	6,896,085
Operating Revenue	2,806,854	3,503,653	5,752,477	3,785,832	4,654,573	1,082,060
Operating Cost	2,630,240	3,065,468	4,377,457	3,383,868	4,173,267	1,052,534
Net Operating Profit (Loss)	(267,854)	(84,248)	413,831	(407,885)	(196,936)	(153,817)

After the funds raised from the corporate bond have been consecutively drawn for use in 2017, the property, plants, and equipment continued to increase. The purpose of the present fundraising is to purchase land and expand plants as well as purchase equipment, and benefits can be generated after the construction is complete. GPT officially operates in June 2020, which increases the consolidated operating revenue, operating cost, and operating profit year by year. In 2022, US FED hiked interest rates, and the Russo-Ukrainian war, etc., impacted inflation and global economic recession, which caused the company's sales volume and operating income to decline. However, the aforementioned negative factors were gradually eliminated recently, raw material costs were decreasing recently, and the freight cost dropped to the pre-pandemic level, so the Company's profitability has rebounded, and the outlook is promising.

(2) 2023 Issue New Shares for Capital Increase.

A. Plan Content

- (a) Effective Date and Document Number of Competent Authority: The issuance of the shares for capital increase was approved with the approval document number Jin-Guan-Zheng-Fa-Zi 1120359809 on November 15, 2023.
- (b) Total Amount of Funds Required For This Plan: NT\$ 363,000 thousand.
- (c) Source of Funds: This cash capital increase was carried out to issue 11,000 thousand new shares, with a par value of NT\$10 per share and an issuance price of NT\$33 per share at a premium. The total amount raised was NT\$ 363,000 thousand.

(d) Plan Item and Fund Utilization Progress

Unit: In Thousands of New Taiwan Dollars

Plan Items	Expected Completion Date	Total Amount of Funds Needed	Expected Fund Utilization Progress			
			2024			
			1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Repayments of bank loan	2024 2 nd Quarter	363,000	171,848	191,152	—	—
Total		363,000	171,848	191,152	—	—

(e) Expected Benefits Possibly Generated: The funds in NT\$ 363,000 thousand will be used to repay bank borrowings. In addition to effectively saving interest expenses and improving the financial structure, it can reduce dependence on banks, improve the flexibility of capital allocation, and reduce operational risks. The company expects to complete the repayment of bank borrowings in the second quarter of 2024 after the completion of fundraising. If calculated based on the predicted bank borrowing interest rate of the repayment, it is expected to save interest expenses of approximately NT\$ 19,495 thousand and NT\$ 10,646 thousand in 2024 and 2025, respectively.

(f) Change of Plan Content: None.

(g) Date of Input onto MOPS: November 15, 2023.

B. Comparison between the Execution Status and Original Expected Benefit

(a) Execution Status

Unit: In Thousands of New Taiwan Dollars

Plan Items			Execution Status	Reason of progress advances or delays, impacts on the shareholders' rights and benefits, and improvement plan:
			2024 1 st Quarter	
Repayments of bank loan	Amount of Cost	Estimation	171,848	N/A
		Actual	171,848	
	Execution Progress (%)	Estimation	47.34%	
		Actual	47.34%	

(b) Comparison With the Original Expected Benefit: The cash capital increase of NT\$363,000 was fully funded on December 25, 2023. The disbursement of the funds will commence in the first quarter of 2024 and is expected to be completed by the second quarter of 2024. The actual realization of benefits is yet to be evaluated as the progress of fund utilization has not been implemented.

(c) Financial Item Analysis

Unit: In Thousands of New Taiwan Dollars

Item		2023 (Consolidated)	2024 1 st Quarter (Consolidated)
Current Assets		1,381,998	1,069,317
Current Liabilities		2,188,724	2,328,729
Total Liabilities		6,843,771	6,939,562
Operating Revenues		4,654,573	1,279,645
Interest Expense		445,388	114,625
Earnings (Deficits) per Share		(6.98)	(2.96)
Financial Structure (%)	Debt Ratio	82.34	86.82
	Ratio of Long-Term Capital to Property, Plants, and Equipment	92.71	88.54

As of the publication date of the annual report, the progress of fund utilization has not been completed and the benefits have not yet appeared.

V. Operational Overview

1. Business Activities

(1) Business Scope

A. Main Content of Business Operation:

The main business item of the Company is the manufacturing and sales of particle boards and parawood solid word boards. The product sales rely mainly on export sales, and the scope of sales includes Malaysia, Vietnam, China, Korea, Thailand, and other Asian regions.

B. Revenue distribution:

Unit: In Thousands of New Taiwan Dollars

Item	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
Particle Boards	5,372,661	93.40	3,506,715	92.63	4,279,433	91.94
Solid Wood Boards	379,816	6.60	271,758	7.18	328,675	7.06
Resin	-	-	7,359	0.19	46,465	1.00
Total	5,752,477	100.00	3,785,832	100.00	4,654,573	100.00

C. Present Products and Service Items of the Company:

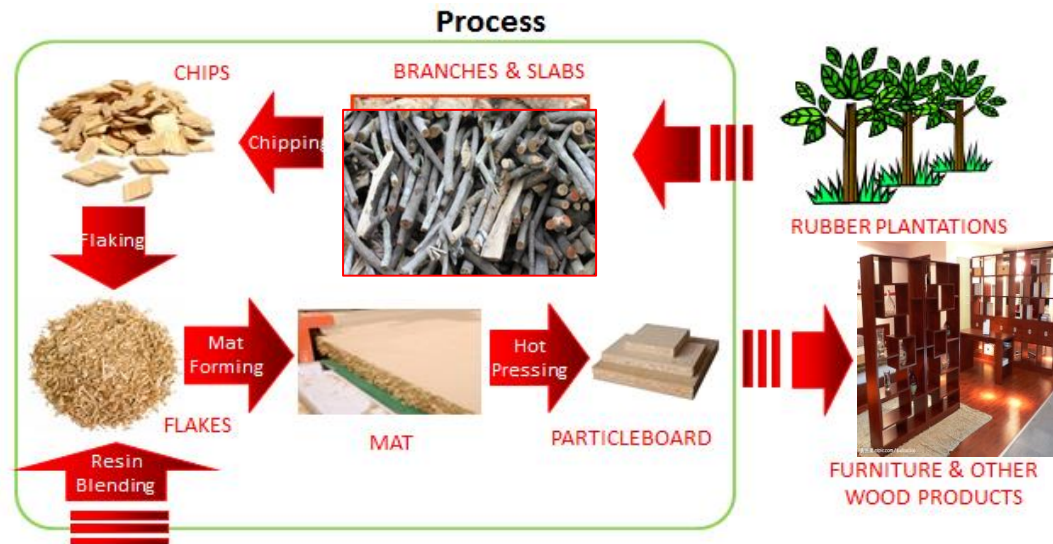
(a). Particle Board (referred to as PB):

The particle boards manufactured by the Company are single wood high-quality homogeneous particle boards, obtained from the raw materials of rubber woods, and formed by processing wood branches and slabs into wood chips, followed by using specialized equipment for cutting into flakes of a certain specification, which then further go through a drying and shifting processes in order to form a surface layer and core layer flakes. Next, according to the technical requirements, different amounts of a resin are applied to the surface layer and the core layer respectively. Then, under the effect of temperature and pressure of a hot-pressing cycle, large plain boards are pressed and formed. After PB are outputted from the pressing machine, they further undergo the processes of edge trimming, cutting, cooling, curing, and sanding in order to form high-quality homogeneous PB. The application of plain boards is extremely wide, and can form finished products through secondary processes, such as paper faced, PVC faced, chipboard faced, melamine faced, etc.; or they can be trim directly into finished products. Processed PB can be widely used in system furniture, system kitchenware, furniture partitions, floors, pallets, speakers, green buildings, and environmentally friendly composite building materials, etc.

High-quality homogeneous PB of the Company are manufactured from the cutting of 100% rubber wood, and the boards carry a slight crude rubber wood fragrance, with high bending strength and high bonding strength such that they are resistant to deformation and have low water content. In addition, the Company uses the latest

resin technology during the manufacturing process of the PB in order to reduce the emission of formaldehyde from the boards. Presently, the low-formaldehyde content PB of the Company complies with the EU and US standards, and has reached the world-class environmental protection standards. In the future, the Company will continue to head toward the new concept of “Environmentally Friendly, Non-toxic, Healthy, Clean Manufacturing” for sustainable development.

Manufacturing Process of Particle Boards



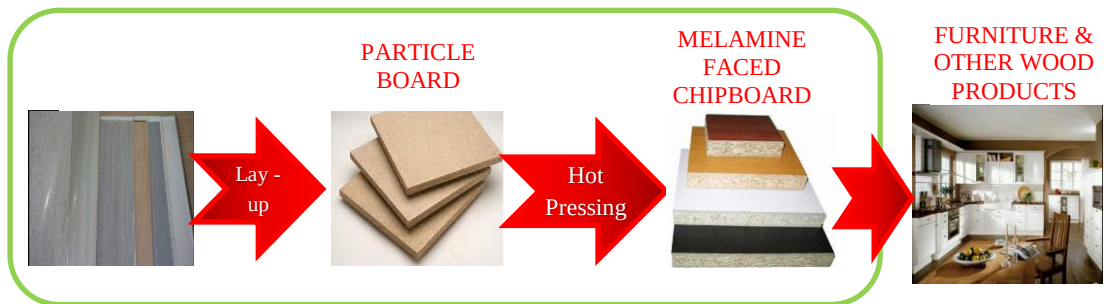
(b). Melamine Faced Chipboard (referred to as MFC):

MFC manufactured by the Company utilize PB and various impregnated papers, according to the press patterns demanded by customers, along with the use of high-temperature and high-pressure processing technologies of hot-press bonding machines to allow the impregnated papers to complete resin melting in a short period of time for curing and complete bonding onto the surface of PB. After the completion of hot-pressing, the boards undergo the processes of edge trimming, surface cleaning, inspecting for classification, and cooling, in order to become high quality and aesthetic MFC. After the processing, MFC can be widely used in the furniture manufacturing industry, such as system furniture, system kitchenware, speakers, interior decorations, cabinet doors, walls, bathroom ceilings, etc.

MFC of the Company are equipped with the advantages of PB for high bending strength, high bonding force, resistance to deformation, and low- water content, as well as a low formaldehyde emission amount. After the hot-pressing face bonding, they also demonstrate the characteristics of permanent bonding, high-temperature resistance, high-pressure resistance, scratch resistance, flame resistance, and resistance to moisture. Since various patterns are available, including wood grain pattern, metal, stone, and various single colors, along with the characteristics of being painting-free after bonding as well as abrasion resistance, scratch resistance, flame resistance, facilitated cleaning, etc., MFC are economic and advantageous surface decorative materials, which are suitable for commercial space design. In addition to its characteristic of resistance to scratches and being capable of maintaining its

appearance, its characteristic of resistance to flame is also a main consideration and choice for commercial spaces.

Manufacturing Process of MFC

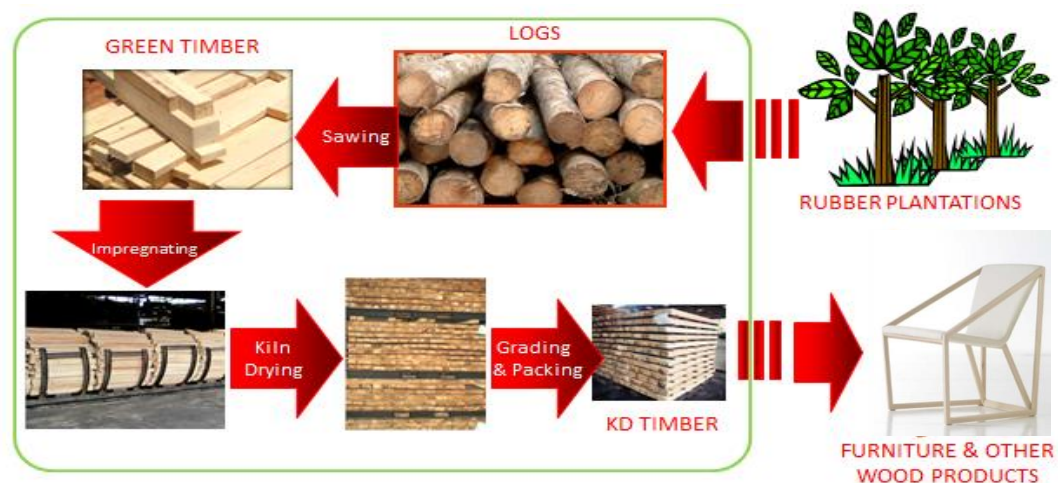


(c). Solid wood Boards:

Solid wood boards manufactured by the Company are obtained 100% from rubber woods. The solid wood business implements rigorous controls in the processing and quality of a series of processes including material selection, cutting, processing, anti-deterioration, anti-insects, drying, finished product classification, and shipping, etc.

Since rubber woods have a natural ivory color and aesthetic pattern, they are also known as “ivory wood”. Rubber wood structure is uniform and it has tough and rigid characteristics with high resistance to abrasion. Currently, it is one of the light hardwoods with the greatest applications worldwide. After undergoing the anti-deterioration and drying processes, rubber solid wood boards have uniform color and elegance, along with fine structure, and excellent processing performance for wide applications, making the boards suitable for furniture materials, floors, composite building materials, and other decorative materials, etc. In addition, since rubber woods can be combined together with other precious and high-value dark color trees, their decorative and design characteristics can be increased. Accordingly, they are considered as medium to high class of wooden materials by the furniture industry.

Manufacturing Process of Solid wood Boards



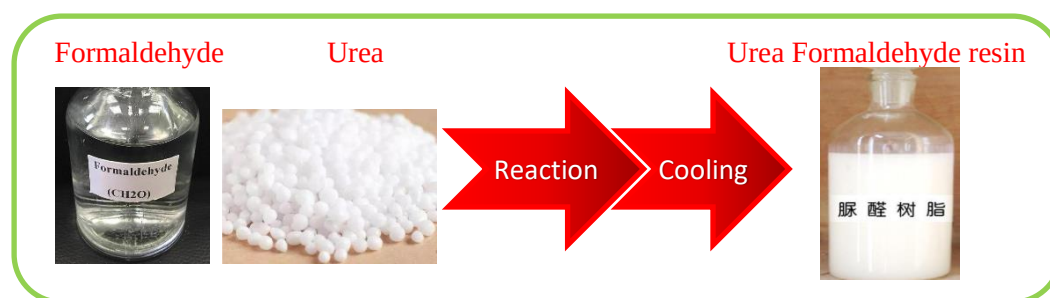
(d). Resin (Urea Formaldehyde resin, referred to as UF):

Urea-formaldehyde resin is semi-transparent, and its attributes include high tensile strength, insulative, high abrasion and heat resistance, low water absorption (anti-

mold), and acid and alkali resistance. And the price is low. It is the most used type of adhesive. It is widely used in the manufacture of molded objects and the bonding of various products.

The resin products are mainly used for particle board production within the group. Resin's receipt or production process is continuously adjusted to meet particle board product requirements. A small amount of resin can be sold to non-group entities if there is a slight excess resin production capacity.

Manufacturing Process of Resin



D. New Products and Services Planned for Development

The Company is dedicated to the improvement of the manufacturing process, development of new products, and increase of quality in order to provide services and products of higher quality to customers. To develop the PB business, the Company has introduced a new continuous pressing equipment and wind sifter machine from Europe in 2008 and 2016 respectively in order to set up the GP I and GP II plants. The equipment is highly automated and through high-tech procedure control, the precision of PB products is significantly improved, surface treatment is finer, and the product specifications are more complete.

With the foundation of outstanding equipment and techniques, along with the continuous improvement of manufacturing processes, the production line performance increases day after day. Presently, the annual production average quantity of GP plants is able to reach 140% of the designed production capacity, which is far more efficient than competitors in the same industry. The Company's investment in the improvement of productivity and research and development is not only to achieve higher goals of the Company and to satisfy customer demands but also to allow the performance of the Company to surpass competitors in the same industry.

Since forest resources are limited, and with the consideration of increasing environmental protection awareness as well as the emerging market in China, to cope with the future trends, the Company continues to research and develop formaldehyde-free products and to expand the production scale. GP III plant (GPT) officially opened in June 2020. GPT with the latest equipment and a designed production capacity of 528 thousand cubic meters; with the expansion of capacity, the Company is the largest and most advanced PB manufacturer in Asia.

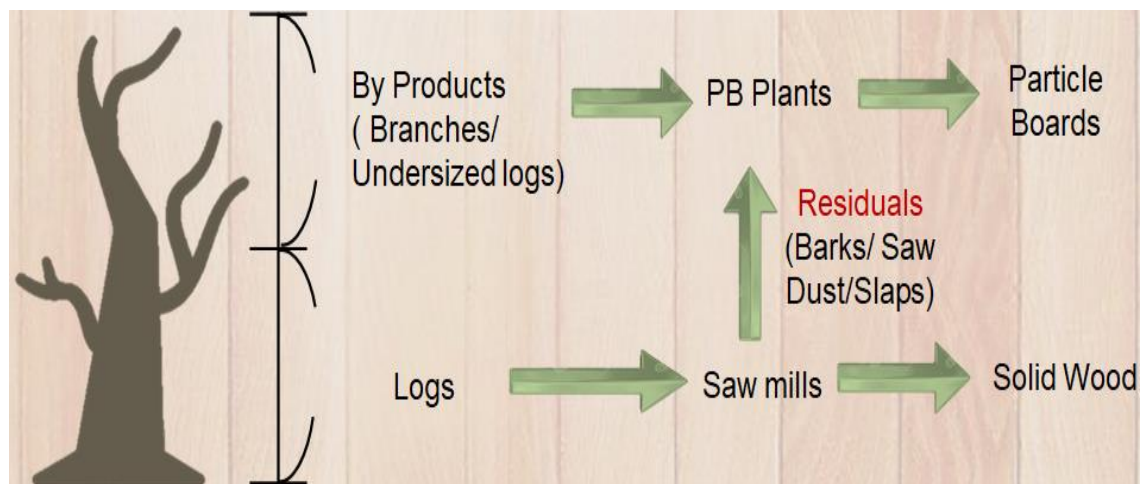
(2) Industry Overview

A. Industry Current Status and Development

Thailand is located in a tropical area and within the Southeast Asian monsoon region, and the annual temperature is not lower than 18°C with an average rainfall of approximately 1,000mm. Most of the areas in Thailand are low mountains and hills, such that the forest biology is diverse and plentiful, which is very suitable for the growth of rubber woods. Rubber woods in Thailand belong to the high-value added crop, not classified as forest resources, and farmers planting new trees can start the harvesting of rubber woods after a growth period of 6-8 years, and the general harvesting period is approximately 25 years.

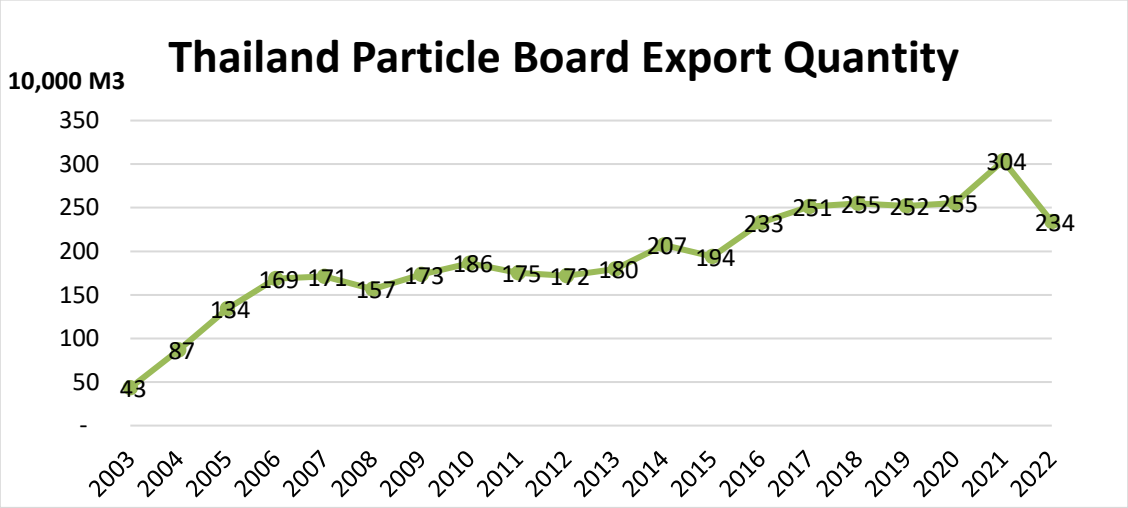
As the rubber latex tapping period is longer, the output of rubber latex decreases year after year. When the rubber woods are of no economic value, the farmers then cut down the trees and plant new trees in order to have a renewable value. The branches and stems of the trees can be used for furniture raw materials, allowing the economic value of rubber woods to continue.

Thailand is one of the biggest countries in rubber latex production. Since rubber was first introduced to Thailand in the mid-20th century, the tropical climate with efficient and advanced cultivation methods, Thailand has become the world's biggest producer and exporter of natural rubber, which is also a key material for Thailand's foreign trade; therefore, the rubber wood resources are plentiful. According to information from Office of Agricultural Economics, the tappable area for rubber plantation in Thailand is more than 3.5 million hectares. In addition, rubber wood stems account for approximately 60% of an entire tree, and after sawing and trimming, 30% become solid wood finished products, and the other 30% and remaining 40% of branches and roots can be used in the production of PB or used as fuel.



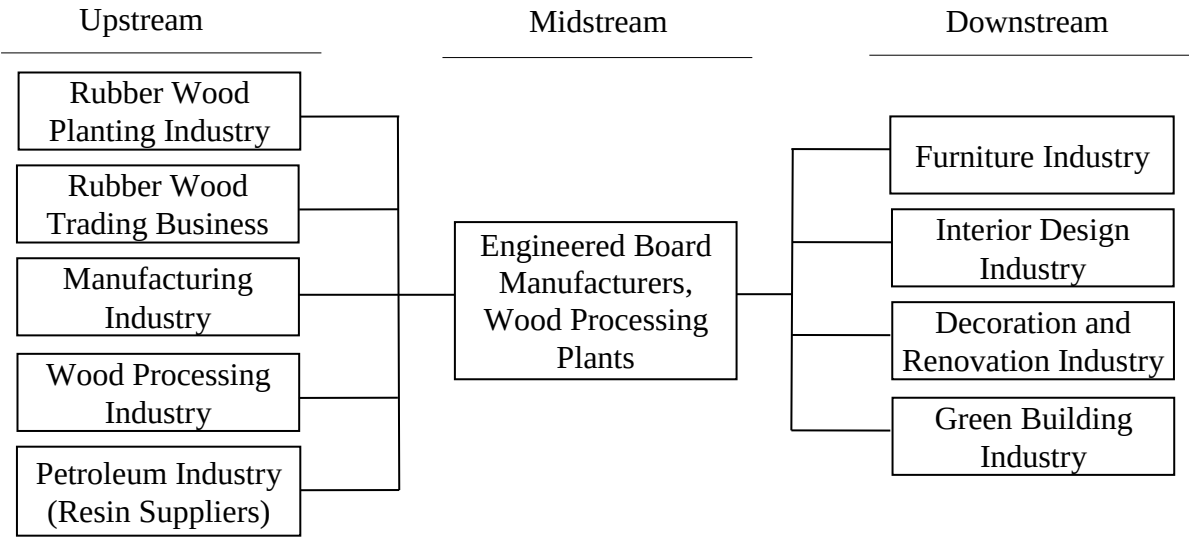
The wood industry technology level in Thailand is in line with world-class development. In addition, with its diversity of raw materials and different production quantities, different types of wood industries have developed in Thailand. In general, if the annual rubber woods supply quantity in Thailand is calculated at 11-15 million tons, then approximately 6-8 million tons can be used for the raw materials of PB; therefore, the supply of rubber woods as raw material is plenty without shortage. Over the past decade, Asia's particle board industry has experienced steady growth. With a strong manufacturing base and a large population, the demand for furniture and building materials in Asia continues to rise. Moreover, due to increasing environmental awareness and the demand for sustainable development, particle board manufacturers and

downstream manufacturers increasingly focus on environmentally friendly manufacturing processes and sustainable sources of raw materials. With its abundant rubber wood resources, Thailand is Asia's leading particle board manufacturer. The PB export quantity in Thailand has demonstrated an increasing trend starting from 2003. The average export quantity of PB has been over 2.5 million M³ in recent years. The highest export volume was recorded in 2021 at 3.04 million M³. However, in 2022, PB exports were impacted by the overall market, and the export quantity fell to 2.34 million M³ in Thailand. Despite this, Thailand remains Asia's largest exporter of PB.



Source: Food and Agriculture Organization of the United Nations (FAOSTAT, 2024/05)

B. Correlation Among Upstream, Midstream, and Downstream in the Industry



- Upstream: PB related products; the raw materials include shootbuds, treetops, barks, roots, sawdust, core, slabs, scraps, and resin for bonding. The main materials of PB manufacturing include the resin, and the raw material of boards is the rubber woods cut by rubber farmers in various regions.
- Midstream: This mainly refers to the engineered board manufacturers and wood processing plants. The wood processing manufacturers are closely

correlated to the acquisition of raw materials. The Company is the only manufacturer equipped with the manufacturing of solid wood boards and PB at the same time, such that the Company has competition advantages in the integration of upstream and downstream.

Downstream: With rapid economic development in new emerging countries, living standards and environmental awareness continue to increase and due to the impacts of government policy, the furniture, decoration, and architecture industries will continue to head toward green environmental protection development, which will also drive rapid growth of the PB industry.

C. Various Development Trends of Products and Competition Status

(a).Product Future Development Trends

i. Continuous Expansion of Application Fields Through Product Innovation

The requirements for the key technologies of PB manufacturing are relatively high, in particular, the board manufacturing process, cutting procedure, and control procedure, etc. With the continuous evolution of the industry environment, natural wood production industry related technologies and the equipment have become more mature and stable. Consequently, market field applications have become greater. Presently, the application field includes various products of speakers, composite environmentally friendly building materials, green building, etc., and the breadth and width of the application scope continues to expand. As PB manufacturing technologies continue to improve, various different properties and types of PB can be manufactured: such as large surface PB, ultra-thin PB, irregular shaped boards, anti-static PB, flame retardant PB, and other special purpose PB, etc. In the future, PB manufacturers will further improve the customization level, such that various parameters affecting PB and boards can be adjusted depending upon various demands of customers, thereby further expanding its application field. With the advancement and maturity of relevant technologies in the industry, the application field of PB becomes more diverse and professional.

ii. Compliance With Environmental Protection Trends

As economic activities have greater negative impacts on the natural environment worldwide, the continuous degradation of the natural environment also generates greater impacts on the industrial activities in various countries. Therefore, the green economy naturally becomes the development trend. Under the impact of global warming and the greenhouse effect, countries around the globe have become more rigorous in the protection of forest resources; consequently, the supply of raw forests has become less. Nevertheless, as the demand for wood boards increases year after year along with the growth of new emerging countries, solid wood boards with renewable resource characteristics have become a popular product material. Rubber woods are a renewable agricultural resource that can be planted in large areas. In addition, its growth period is approximately 25 to 30 years for cutting and use.

Furthermore, it can be planted continuously after cutting; therefore, it is one of the best natural resources for sustainable utilization. Moreover, in recent decades, with its economic characteristics of rubber woods, it has become the most stable and sustainable board resource in the wood processing industry.

iii. Higher Customer Demands on Environmental Protection and Safety

As the living standard improves, people's awareness of environmental protection and health becomes higher, and consumers tend to choose green and environmentally friendly products. To cope with the market demands, large PB enterprises continuously improve product quality management; reduce the formaldehyde emission amount in order to significantly reduce damage to human bodies and the environment. The product quality criteria of those enterprises are heading toward a higher European formaldehyde emission standards- E1 level and developing formaldehyde-free products. Furthermore, since the resource of rubber woods is not in shortage and has renewable raw material characteristics, under the advantage of improvement of technology and using environmentally friendly materials for rubber wood manufactured PB, it is expected that the global demand in PB will continue to increase.

(b). Competition

As a foreign enterprise in Thailand for the manufacturing of both rubber solid wood boards and PB, since the establishment, the Company has more than ten years of experience in rubber wood materials collection and market expansion, such that the Company has competition advantages in the integration of rubber wood resources, with matured rubber wood manufacturing technologies, and has created complete solid wood boards and PB product systems.

Since board manufacturers in Thailand are mostly small and scattered manufacturers, their production integration levels are not high such that their control of wooden resources is relatively limited. In comparison, the Company is able to manage the rubber wood resource network in southern Thailand, with management system, production capacity, waste recycle and reuse technologies, as well as the operating scale; consequently, the Company has greater competition advantages.

Since the solid wood boards manufacturing business of the Company is mature and is equipped with a complete raw material collection network, consequently, the Company entered into the PB business in 2006, and used the German advanced PB continuous pressing machine to completely use the fuel woods and branches of rubber woods as well as the remains of solid wood boards; in addition, the Company is able to achieve the objectives of environmental protection and cost control at the same time. Presently, the Company has accumulated improved knowledge and extensive experience in terms of the manufacturing technologies of PB for a long period of time, and the actual production capacity of PB continuous pressing machine leads the industry. After the GP II plant started mass production in July 2016, the annual operating sales scale leapt the ranking to No. 2 in Thailand. GP III plant (GPT) officially operates in June 2020 and the plant introduced the latest PB

automatic continuous pressing machine with the largest production capacity in the industry. The Company has become the leading PB manufacturer in Asia.

(3) Technology and Research and Development Overview

A. Research and Development Budget Invested

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2023	2024 up to March 31
A. R&D Expenses	19,686	5,166
B. Operating Revenue, Net	4,654,573	1,279,645
A/B (%)	0.42	0.40

B. New Technology or Products Developed Successfully

The Company values manufacturing process performance development and customized product business development. Since its establishment, the Company has continuously participated in manufacturing process technology development, production line performance improvement, and the Company has also established the energy saving committee and labor safety committee in order to ensure human and machine safety, effective energy saving, and improvement of production efficiency. In recent years, the Company has demonstrated outcomes in the improvement of productivity and added value of products, the Company has developed various technologies and products as follows:

Year	Item
2012	- Effectively improved the control precision of raw board width to save wood raw material costs. - Successfully developed E2 level PB with quality complying with international standards and low cost in order to significantly increase product competitiveness. - Added a chipper to increase production efficiency and reduce outage risk. - Added an excessive dry flaking machine in order to increase board surface quality. - Received the U.S. CARB P2 product certification.
2013	- Introduced the use of sawdust to reduce surface material cost. - Improved book saw cutting dimensions and precision to significantly reduce waste costs. - Developed a sandwich resin mixing formula to effectively reduce raw material costs. - Successfully developed MUF E2 moisture resistant PB. - Replaced hot oil equipment and changed to use a fully synthetic hot oil, in order to effectively prolong the hot oil lifetime and to increase production quantity.

Year	Item
2014	• Successfully developed a 12mm E1 surface layer formula with urea in order to increase production capacity. • Improved the efficiency of the flaker drying drum by the original manufacturer's design. • Successfully developed a CARB P2 sandwich resin formula in order to effectively increase production speed.
2015	• Developed PB for floors. • Added two sanding heads for the sanding machine in order to improve finished product thickness uniformity and to improve surface quality. • Applied for JIS Mark product certification. • Added the fourth set of fully automatic flaking machines in order to effectively improve production capacity and to improve flaker configuration, thereby improve quality.
2016	• Invested in a downstream MFC plant, and introduced a high speed automatic continuous face bonding machine in order to increase product added value, and introduced the fully automatic board surface quality inspection machine. • Developed a moisture resistant, low formaldehyde MUF E1 product. • Introduced a new four-seat continuous precision mate forming machine in order to increase product thickness control precision. • Invested in GP II Plant, and introduced European advanced side flaking wind sifter in order to increase product quality and finished product cleanness.
2017	• Successfully developed an ultra-low formaldehyde resin (E0), in order to effectively reduce the emission of formaldehyde, strengthen product toughness and moisture resistance ability, as well as increase market competitiveness. • Added highly efficient atomized resin spray equipment in order to reduce production costs and to increase production efficiency and quality. • Set up an automatic warehouse system and installed an automatic quality scanner in order to effectively increase quality inspection efficiency and accuracy.
2018	• Invested in the construction of the GP III plant to expand production capacity; continued to research and develop ultra-low formaldehyde board and formaldehyde-free boards, and to improve production processes in order to reduce costs and to improve production efficiency.
2019	• Obtained Japan JIS A5908 F-3 star and F-2 star quality certification.
2020	• Obtained USA CARB and EPA NAF (No Added Formaldehyde-based-resin) quality certification. • Obtained inspection report of JIS F-four star Formaldehyde Emission Standard of SGS and JTCCM. • Pass the TVOC test from SGS and China National Center for Quality Supervision & inspection of furniture and Indoor Environment.

Year	Item
2021	• Obtained Japan JIS A5908 F-4 star quality certification. • TDICS Resin Factory started mass production and integrated upstream resources. As a result, not raw material procurement costs can be reduced, and the capacity of research and development can be further extended upstream.
2023	• The company has successfully developed and stably mass-produced high-end products such as formaldehyde-free and low-formaldehyde products.

(4) Long-term and Short-term Business Development Plan

A. Short-term Goals

- (a) Vertical Integration: The company's main raw materials are resin and wood, in order to reduce the cost of raw materials, the Company actively through integration of the wood distribution of the upstream and material manufacturing plants, to ensure natural resources. In addition, the Company's self-constructed resin plant started mass production in October 2021, continuously adjusting the resin process and formula according to the production demand, stabilizing raw material source and quality. To become the leading enterprise in the rubber wood-related manufacturing field in Thailand. The company continues to operate Asia's fastest laminated plant and extends the product line from particle board to downstream to increase our products' added value.
- (b) Maintain High Product Yield Rate: Enhance the management of the production plan and the production schedule in order to reduce the outage time. Regularly maintain the engineered board grading machine and perform a circulating test to increase inspection efficiency and accuracy and improve equipment use efficiency. Use an automatic warehouse system to increase product transportation efficiency and guarantee product yield rate and quality.
- (c) Diverse Development of a High Value-added Production Line: Continue research and develop PB with low formaldehyde, formaldehyde-free, and moisture resistance, etc. functions, and design of pattern of lamination products.
- (d) Maintain High Quality Customer Service: For existing customers, provide excellent after-sale service. Depending upon customer demands, research and develop of differential products, in order to gradually from the strength in technology for the Green River brand.
- (e) The Company has qualified for various quality supervisory system certifications and inspection reports including ISO, CARB, EPA, JIS, SGS, JTCCM, etc. The company's products comply with international environmental protection standards. The Company will continue to apply certifications for greater specification product. Continuously improve the competitiveness of the company's products.
- (f) Improve Operation Performance: Under the principles of safety, quality, and product delivery, the Company will continue to research and develop resin and pursue the

latest European technology development, the Company improvement of equipment maintenance technologies, increase of equipment utilization rate and stable production, thereby improving the competitiveness of the Company. In addition to the expansion of business, the Company will also continue to enhance cost control on the following processes in order to achieve the objective of cost reduction.

i. Cost Control of Purchase Processes

Executing thorough price quoting, comparing, and negotiating, reviewing purchase price history, and carefully assessing purchase requests. The Company collects raw material prices of various regions and information from the same industry for the main raw material, and establishes a purchase quotation according to the procurement meeting held weekly in order to prevent an increase of purchase cost due to incorrect information. In addition, the Company calculates the wood material and resin demand quantity based on the daily production quantity and production plan, and the resin is purchased in lots weekly in order to control the fund demand.

ii. Cost Control of Production Processes

To achieve cost control of production processes, in 2015, the Company established the energy saving committee in order to perform an energy saving plan on each production process, such as the replacement project for LED lighting system in order to effectively save electricity, replacement of the flaker drying system insulation materials, waste gas recycling system installation, etc. Most importantly, to reduce the machine outage rate, in addition to the proper arrangement of production sequence, the Company hired technical consultants to improve the equipment maintenance process in order to control equipment maintenance hours and to improve monthly routine inspection efficiency in order to reduce major annual equipment maintenance times each year. The Company will introduce the manufacturing execution system (MES) which could precisely collect and monitor information generated during the manufacturing process to reduce the activity of plants without added value and improvement processes thereof to increase production benefit.

iii. Cost Control of Inventory

The Company primarily adopts the “make-to-order” strategy. At the meanwhile, to continue to reduce the inventory, the production unit of the Company is dedicated to improving the production yield rate and to reducing the percentage of defects in order to reduce inventory costs.

iv. Cost Control of Technology Innovation

Through wood flaker improvement, the Company saved the unit usage of the resin, and also engaged in strategic collaboration with the resin supplier in the development of a new type of resin and the research and development of resin characteristics in order to reduce the resin usage amount and cost for finished boards, thereby improving quality and increasing competitiveness.

v. Cost Control of Management Processes

In 2014, the Company introduced the target cost management and performance appraisal mechanism. And in 2017, the Company activated the SAP information system to collect factory information. Through production review meetings convened weekly/monthly, the indices of wood materials, resin, electricity consumption, energy, consumables, etc. used during each production process are reviewed, and the target cost and relevant management indices are assigned to various processes and responsible centers of the corporation according to the delegation of responsibility. In addition, the Company also promotes the cost evaluation system; therefore, through such evaluation method, employees are stimulated to achieve the target cost. During the implementation of evaluation, the Company also provides a reward system to employees. Therefore, through such improvement of the management system, the production performance of the Company will continue to be maintained at a high level.

B. Long-term Goal

- (a) Evaluate each region's future development trends and arrange the production plan according to each particle board factory's advantage. The company expects to optimize the advantage of scale economies and actively develop domestic and export sales markets.

i. Domestic Market Expansion Plan

For the domestic market, the Company will cooperate with the development direction of future product safety performance and environmental friendliness performance improvement based on the original sales channels. Through further improvement of sales mechanisms and strengthening of sales networks, new markets will be expanded, in particular, for the expansion of the high-end particle board market and the market for environmentally friendly products.

ii. Foreign Market Expansion Plan

The Company uses its geographical advantage adjacent to Malaysia, Vietnam, and India to obtain a high market share in those regions and continue developing the Chinese market. In addition, the Company is to secure the current developed market and head toward expansion to other regions of potential markets.

- (b) The Company sufficiently utilizes the plentiful rubber woods in southern Thailand as the raw materials for the manufacturing of boards and also introduced German's continuously pressing particle board production equipment and the advantages of internal resources, management, and technology, etc. of the Company to adopt competitive differentiation strategy and industry chain integration tactics. With extensive years of business relationships with rubber wood suppliers and expansion of the scope of the sales, the Company will continue to grow in this industry. Thereby developing into an industrial company with a complete industry chain and optimized product structure and a company equipped with the comprehensive capabilities of research innovation, manufacturing, asset management, etc.
- (c) The Group value ESG issues, promotes sustainable corporate development,

continuously monitors and improves corresponding data and policies, and voluntarily discloses ESG-related information to commit to sustainable spirits.

2. Market and Production/Sales Overview

(1) Market Analysis

A. Main Product (Service) Sales (Supply) Region

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2022		2023	
	Amount	%	Amount	%
Domestic Sales (Thailand)	105,909	2.80	136,681	2.94
Export Sales	3,679,923	97.20	4,517,892	97.06
Total	3,785,832	100.00	4,654,573	100.00

B. Market Share Percentage

In view of the domestic publicly listed companies, there are no companies for both the manufacturing of rubber solid woods and PB. In terms of the domestic/export sales percentage of the Company, export sales account for more than 97%. In, 2023, Malaysia and China are the top 2 export country, the export volume to Malaysia and Korea account for 30.51% and 28.87%, respectively. According to the published trade statistics from Thailand custom, the Company's PB export volume accounted for more than 67% of Thailand's PB export volume in 2023. Based on statistical information on the export of particle boards in Thailand and PB imports in Malaysia and Korea, Malaysia's and Korea's import volume of PB from Thailand accounts for 90% of the total import volume, respectively; since the Company is adjacent to Malaysia, the export percentage to such regions is relatively higher. In 2023, the export volume from the Company reached 70% of the entire import amount of Malaysia. Thailand is also Korea's main PB import country, In 2023, the Company's export volume to Korea approximately one-quarter (23.80%) of the import volume in Korea. Therefore, it can be estimated that the export quantity of PB of the Company has reached a certain market position.

By increasing the capacity, the Company can distribute the sales market with higher flexibility. Even though the US FED hiked interest rates, the Russo-Ukrainian war, etc., impacted inflation and global economic recession, which caused the Company's sales volume to decline in 2023; however, the aforementioned negative factors were gradually eliminated recently; the sales volume resumed in 2023. The demand for high-end products such as E0 and P2 is surging; the Company is focusing on improving its quality and production efficiency, expanding product categories with market research and evaluation, continue entering new global markets, and boosting market share.

C. Market Future Supply and Demand Status and Growth

Market demand is mainly affected by the following three aspects:

(a). Population and Economic Development:

In 2022, the United Nations announced that the Global population has exceeded 8 billion. With the increase of the global population, the consumption of PB continues to increase. Although the consuming level of people in developing countries is still low, nevertheless, with the rapid development of new emerging economies, the consumer market of PB is of great potential.

(b). Distribution of Wood Resources:

The distribution of wood resources in the world is not even, and in the past 20 years, due to the large occupation of land and destruction of forests for development, illegal logging, etc. associated with economic activities, forest resources in many countries are facing decrease in quantity and quality, such that the shortage of wood is becoming severe. Woods and PB importation countries are mostly directly related to the shortage of wood resources in these regions. For countries and regions with limited wood resources, they tend to have strong market acceptance. In addition, with the increase of environmental protection awareness, PB with green niche concepts has gained greater attention and popularity in the market.

(c). Development of Low Cost and New Board Types Capable of Satisfying Various Demands:

For the manufacturing and consumption of wood boards in the world, plywood has been in the leading position in the market for a long time. However, as the quantity of large precious wood resources available in the world becomes less, the production of plywood is limited, causing its consumption percentage in engineered boards to decrease rapidly, and it has been replaced by board types of fiber boards and PB, etc. that have lower requirements on wood diameter class, material criteria, and allow fast forest planting along with the use of the raw materials of fuel woods and non-wood fibers for production of the boards. In addition to materials satisfying the market consumption demands and reasonable prices, such boards have a wide application scope and new boards satisfying various demands can be developed.

D. Competitive Niche

(a). Stable Wood Source:

Thailand is the largest natural rubber latex production country in the world, Production exceeds one-third of the world. According to the data of the Office of Agricultural Economics, The plantation area reached 3.5 million hectares which in southern Thailand will account for 2 million hectares, with an annual output of more than 5 million tons. The capacity in south Thailand also accounts for approximately 60% of the entire Thailand. The Company is located in the most extensive rubber plantation base in Thailand and is at the main southern logistics hub; consequently, the Company has access to rich rubberwood resources.

Rubber tree in Thailand is treated as economic crops. In the past 25 years, the rubber tree plantation area has grown 2.5 times in Thailand. After 5 to 7 years of planting, farmers can tap rubber latex until the rubber tree is 25 years old. Once the tree is no residual value due to those trees having no latex that could be tapped anymore, it

needs replanting; therefore, access to rubber woods as raw materials is plentiful without shortage.

(b). Single Raw Material Source, Facilitated Control of Quality:

The raw materials of PB can be all logging remains of all trees, such as: shootbuds, treetops, barks, roots, etc. Material trims and processing remains: board skins, board strips, sawdust, fragmented board, core, debris, blocks, edge trims, etc. However, as a greater variety of substances are used for production, the manufacturing difficulty is higher, cost is also increased, and finished product quality cannot be controlled easily. The Company's products use the most abundant rubber woods of local resources such that production efficiency is increased and quality can be maintained stably.

(c). Manufacturing Process Development Management Capability:

Production of PB is high automated, and several pieces of equipment and machines are operated continuously 24 hours a day, requiring high technical electricians, operators, mechanical engineers, and management personnel to maintain continuous operation of the production line. Since 2008 to the present day, the Company has accumulated extensive production experience, and for improvement and application of new technologies, including control of the indices of the manufacturing quality of resin for PB, PB formaldehyde emission amount, dimension stability, cross section density, water absorption swelling rate, etc., production line equipment and electrical equipment, etc., the Company has established its own technical capabilities, such that the Company is able to ensure the quality of PB. In addition, the Company also continues to optimize the manufacturing process in order to increase production efficiency and flexibility.

(d). Outstanding Upstream and Downstream Integration Capability:

The Company operates the manufacturing of rubber solid wood board and PB at the same time; therefore, it satisfies economies of scale. In July 2016, the GP II plant officially started mass production operations. Presently, GP III (GPT) officially opened in June 2020, the PB business scale is expanding, and business competitiveness is increasing. The MFC plant started mass production to enter further face bonding processing manufacturing. In addition, the resin plant's operation starting in October 2021, to reduce raw material costs, to integrate upstream and downstream resources, thereby enhancing competitive advantages.

E. Favorable and Unfavorable Factors for Development Outlook and Countermeasures

(a). Favorable Factors:

i. High capital and technical barrier, preventing competitors from entering the field.

PB business is a capital and technology intensive industry. Construction of a large scale PB production facility and purchase of manufacturing equipment require a large amount of capital, and to maintain sufficient raw material inventories, it also requires a large amount of current circulating capital. Furthermore, PB has highly

automated production, and several pieces of machine equipment operate continuously 24 hours a day, and require highly skilled technicians, operators, mechanical engineers, and management personnel to continuously monitor the operation of the production line with optimized manufacturing process in order to ensure the quality of PB, efficiency of production, and flexibility thereof. These are the keys to technical capability in the manufacturing of PB. In view of the above, the PB industry is an industry with a high entrance barrier.

ii. Obtaining International Quality Certifications

In addition to continuous improvement of the product manufacturing process, the Company has also obtained various quality supervisory system certifications and inspection reports, including ISO, CARB, EPA, JIS, SGS, JTCCM, etc., for PB production quality control, and the Company has established a complete quality control system, and enhanced the production technician management and training in order to increase production efficiency and product quality stability. Furthermore, for board quality certifications, products of the Company comply with the standards of the EU E1, U.S. CARB P2 and NAF, and Japan F-two star, F-three star and F-four star.

iii. Complete Supply Chain and Located at a Traffic Network

Since the entire area of Thailand has vast areas for the planting of rubber woods, and southern Thailand is the main distribution area for rubber woods, the Company is located in an environment with sufficient supply of rubber wood raw materials, and has long term of cooperation with local suppliers in Thailand; therefore, the rubber wood raw material supply is not in shortage. Furthermore, with a sound sales network in Thailand, and located in the Southeast Asian traffic center hub, the Company is able to utilize the advantage of its location in the traffic center in order to expand the sales scope to the Asian Pacific region, and it has advantages in the development of other potential regions.

(b). Unfavorable Factors:

i. Natural Disasters

Due to possible climate abnormalities caused by the greenhouse effect, the southern Thailand area may have flooding in the rainy season from October to November, such that harvesting of the rubber woods may be difficult, causing a shortage of raw material supply, and short-term price fluctuation may result.

Countermeasures:

- a. The Company has six material manufacturing plants in southern Thailand and has a complete wood distribution network. Therefore, despite parts of the area suffering from floods, in comparison to other operators in the same industry, the Company is still able to properly manage the raw material supply risk.
- b. Since the Company owns both solid wood boards and PB businesses at the same time, during acquisition of rubber wood raw materials, the Company is able to

purchase in lots, such that the Company has purchase advantages over operators in the same industry. Since the purchase source is greater, shortage of raw materials has less impact on the Company in comparison to operators in the same industry.

ii. Increase of Labor Cost

The main operating areas of the Company are mainly distributed in the Level 4 areas in Thailand, and the government has recently increased the basic wage to THB 345/day, and such policy also affects some parts of the employees' salary.

Countermeasures:

For the future operation strategy, the Company will gradually head toward capital-intensive automatic production industry, and demand for the number of director laborers will decrease; consequently, the increase of the basic wage will have less impact on the Company. The wages for indirect personnel will be increased according to the government policy, and the production capacity will be expanded, production efficiency will be increased, and losses will be reduced in order to mitigate the impact of the increase of wages.

iii. Market Scale Affected by the Economic Cycle

Products of the Company are mainly used in the manufacturing of furniture and interior decoration, which can be generally classified into the building material and furniture related industries. Consequently, the market scale can be varied due to the real estate market and global economic system risk.

Countermeasures:

The Company updates market information at all times, and periodically reviews and predicts possible circumstances as well as implements rigorous cost control. In addition, the Company actively broaden new markets, and develops new product application fields, such as development of MFC for processing of the downstream PB, thereby expanding the market demand through new product applications. The Company expands the market scope and vertical extension of product fields such that the Company will be able to reduce the impacts of the economic cycle on the industry of the Company.

(2) Key Purpose and Manufacturing Process of Main Products

A Key Purpose of Main Products:

(a).PB:

PB is an engineered board formed by chipping raw materials of woods, etc. into flakes of certain specifications, and after drying, it is mixed with the resin, curing agent, and waterproofing agent for the pressing process under a certain temperature. Since the PB structure is relatively uniform, it can be processed into boards with a large area depending upon the needs and the price is reasonable. Therefore, it is an optimal material for manufacturing into various types of furniture of different specifications and styles.

(b).MFC:

MFC uses PB and various types of impregnated papers in order to utilize the hot-press face bonding machine to allow impregnated paper to be completely bonded onto the surface of PB according to the press patterns demanded by customers, in order to form quality MFC. MFC has the characteristics of permanent bonding, resistance to scratches, resistance to flames, and resistance to moisture; therefore, it is suitable for furniture manufacturing and commercial space design.

(c).Rubber solid wood boards:

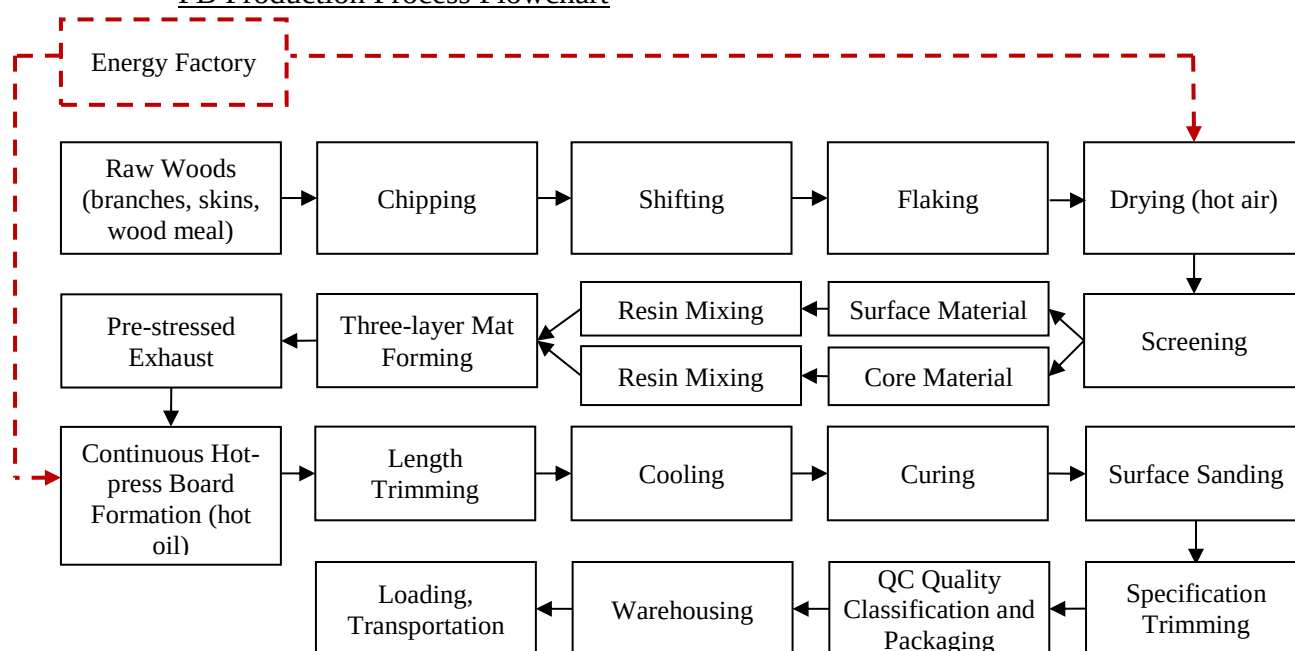
After anti-deterioration treatment and drying process, boards have a light and elegant color, and an appealing pattern. Since rubber woods have similar characteristics to high-end wood materials and have great application fields, they are gradually being treated as medium to high class of wood materials by the furniture industry.

(d).Urea Formaldehyde resin:

The UF Resin is produced by combining formaldehyde, urea and others and the reaction between those materials. It is the most popular resin in the market and has a wide range of applications in various products. The produced resin of the Company is mainly provided for the Group's PB production.

B Production Process of Main Products

PB Production Process Flowchart



(a) Raw Material: Purchased rubber woods are mostly branches, slabs, and sawdust of raw woods with a diameter less than 5 inches for mixing and processing treatment.

(b) The chipping machine is used to break the raw material into wooden chips under 5cm.

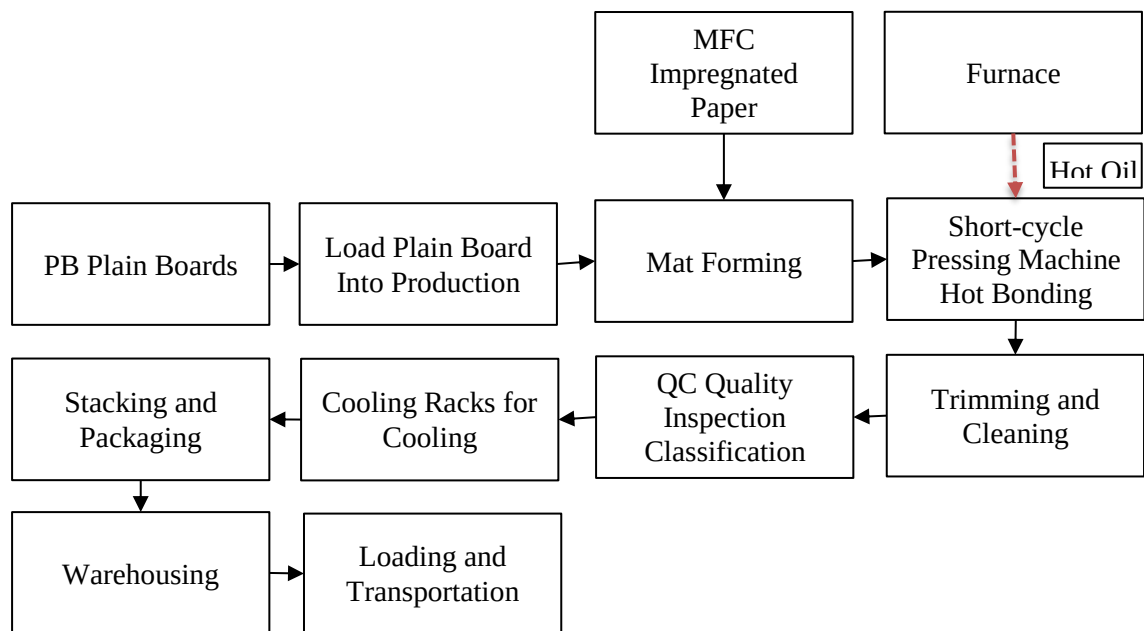
(c) Then, the flaking machine is used to chip into flakes within 1mm.

(d) Drying - Use direct drying cylinder type drying furnaces for reducing the moisture of raw materials. According to different moisture of the raw material source, the drying

furnace internal temperature can reach 280 degree Celsius.

- (e) Shifting Process—Automatically shifting raw materials suitable for forming the surface layer or core layer of PB. The remaining larger sized flakes are recovered to perform the flaking process again.
- (f) Resin Mixing—After mixing the resin with the aforementioned flakes, through the automatic conveying process, the finest part of the flakes is matted at the top layer and the bottom layer. The larger sized flakes are matted at the middle layer in order to form the master boards.
- (g) Metal Inspection—Through metal detection inspection, it is examined whether there are metal substances in order to prevent the metal from causing main press damage risks.
- (h) Pre-stressed Exhaust—Use the belt press belt to perform preliminary press forming of the master board in order to reduce its thickness and the internal gas of the master board.
- (i) Continuous Hot Pressing—Since the resin cures under heat, use hot oil to provide hot-pressing treatment at a temperature above 245 degree Celsius (depending upon different board specifications and classes), and the hot press time is approximately 60 seconds to 120 seconds in order to allow the resin and the flakes to bond tightly.
- (j) After the completion of hot-pressing, automatically detect the board density, thickness, and curvature, any qualified products will be automatically cut into boards of the same specification.
- (k) Cooling—After the completion of hot-press boards are not yet hardened completely and shall be cooled first.
- (l) Curing—After cooling, the boards need to undergo a 12-24 hours curing process such that the board strength can reach the processing standard. The board thickness is directly proportional to the required curing time.
- (m)Sanding—After curing, boards need to undergo the sanding process. Boards that have not yet undergone the sanding process can cause difficulties in the subsequent face bonding process, and typically, sanding can cause a loss of thickness of the board of approximately 0.3-0.6mm.
- (n) Convey into the automatic cutting machine in order to perform cutting of various dimensions, and the typical dimension is 4x8 ft.
- (o) For finished products of PB after automatic cutting, perform quality management classification and packaging.

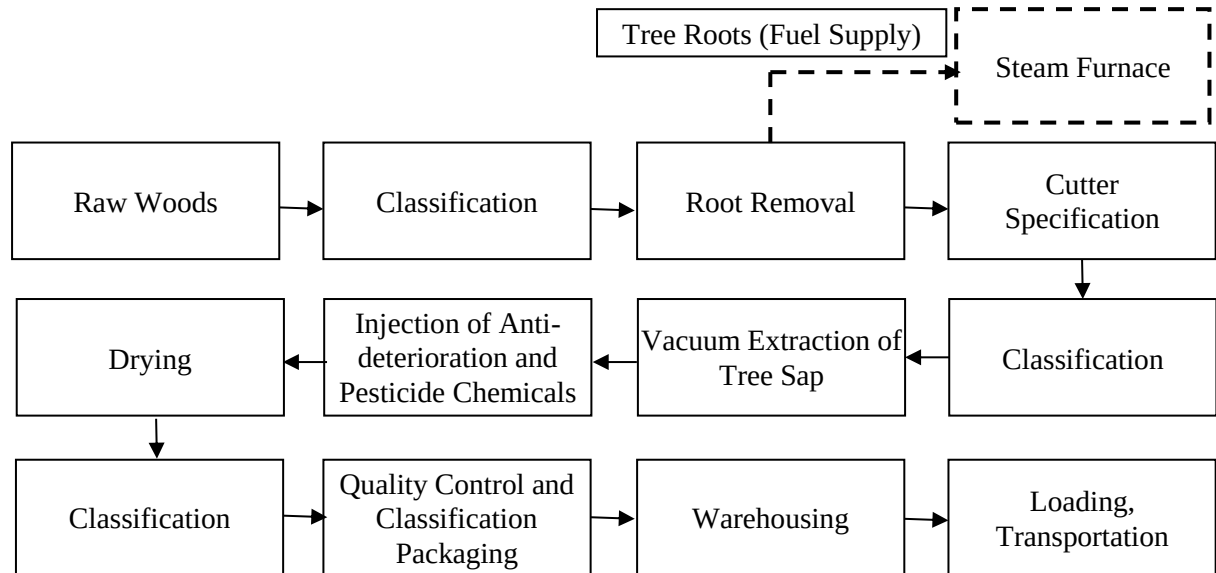
MFC Manufacturing Process Flowchart



- (a) Raw Materials: (i) Purchase of PB plain boards: General PB or waterproof PB of corresponding dimensions according to order requirements; (ii) MFC Impregnated Paper: Purchase completed MFC - formaldehyde impregnated papers according to the color or pattern requested by the customer.
- (b) Board Loading Onto Production Line - Use the automatic board conveyor to place plain boards onto the continuous production line.
- (c) Mat Formation - Use electrostatic force to mat forming the MFC impregnated papers onto the surface/bottom layers of the plain boards.
- (d) Hot Pressing - Convey the boards into the short-cycle hot press face bonding machine for press bonding. According to the surface pattern demanded by the customer, install corresponding stainless steel molds on the hot press face bonding machine, and then according to the temperature required for the curing of the MFC - formaldehyde resin and the thermal resistance performance and physical property of the PB, set up the hot pressing time, temperature, and pressure of the hot pressing face bonding machine in order to use the technology of high temperature and high pressure treatment of the hot press face bonding machine to allow the impregnated papers to achieve complete resin melting and curing in a short time and to completely bond onto the surfaces of PB.
- (e) Trimming and Cleaning - After the completion of hot pressing, the boards are conveyed into the trimming machine to perform excess edge trimming and removal as well as surface cleaning.
- (f) QC Quality Inspection - MFC after the completion of cleaning, go through the automatic quality inspection machine in order to perform quality classification.
- (g) Cooling - After classification, MFC are conveyed into the cooling rack to perform cooling and reduction of residual heat in order to prevent accumulation of high temperature that can cause physical property changes to the MFC.

- (h) Stacking and Packaging - MFC after cooling are stacked according to classification and the number of stacking sheets and packaging method are set up according to the shipping requirements.

Solid wood boards Manufacturing Process Flowchart

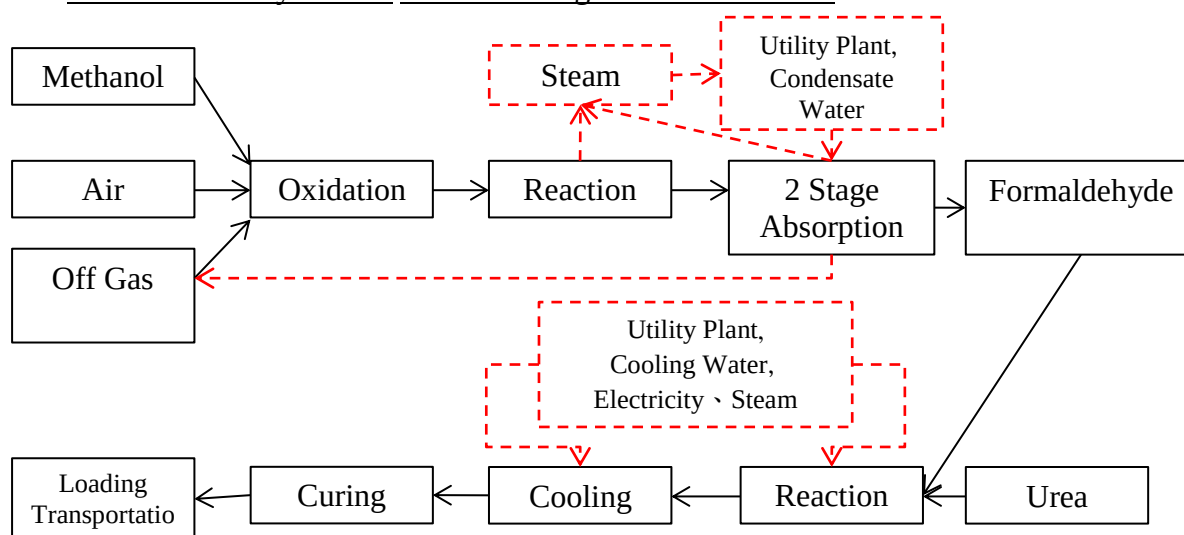


- (a) Transport raw materials into the site according to the size and quality classification.
- (b) Shifting rubber woods for raw woods of a diameter of approximately above 5 inches for processing.
- (c) Remove roots. Since the roots of raw materials are bent and strong, they can affect the subsequent cutting process. Consequently, raw materials are conveyed into a lathe-like root cutting machine, and the wood after the removal of roots are in a column shape. Tree roots that cannot be processed are supplied to the furnace as a necessary energy source.
- (d) Determine the output quantity, and determine the most optimal output quantity based on the market price, dimensions, and wood material quality.
- (e) Fixing and cutting. Based on consideration of the most optimal economic benefit, the main stem parts of raw materials are cut into different dimensions according to the demands specified by customers. During the cutting process, except for the quality of the wood material, the key factor relies in the flatness of the cutting plane, and this is highly correlated with the cutting machine and the skill of the cutting technician.
- (f) During the trimming process, the products are also classified according to the quality of the boards at the same time.
- (g) After trimming, the by-products generated include: trimmed slabs and sawdust, which are sold to the PB plant in order to be used as one of the raw materials for production.
- (h) Initial Vacuum Process - Fresh rubber woods contain high water content; therefore, it is necessary to remove excessive water during the manufacturing process in order to facilitate the injection of anti-deterioration agents. Through the use of the vacuum

extraction method, the boards are dried in a vacuum drier for fast extraction of water content, such that board damage can be reduced and energy can be saved, thereby significantly increasing board utilization rate, and further reducing board drying time.

- (i) Injection of Anti-deterioration Chemicals - In a vacuum state, the boards are conveyed into the chemical immersing system in order to allow the board to make anti-insect and durable.
- (j) Pressurization Process - Exert pressure to allow anti-deterioration chemicals into the boards.
- (k) Release pressure and recover the remaining chemical.
- (l) Convey the boards after chemical treatment into the drying room for drying in order to ensure the water content rate in the boards is less than 8%, such that they can then be listed as finished products for entering into the shipping procedure.

Urea Formaldehyde resin Manufacturing Process Flowchart



- (a) Raw Material: 99.98% Methanol and 99.5% Urea.
- (b) Oxidation—Combine with methanol, air and off gas by particular recipe into an oxidizer for oxidation and mix.
- (c) Reaction—Methanol is converted into process gas using electrolytic silver as the catalyst in the reactor. The reactor temperature can reach 650 degrees, and the capacity can achieve 140 tons of formaldehyde per day.
- (d) Absorption —Transmit the process gas from the bottom of the absorption tower to the two connected absorption towers; spreading low-concentrated formaldehyde or condensate water through the top of the tower to fully absorb the formaldehyde; the concentration of the absorbed formaldehyde solution can reach 53%, and transmit to the storage tank from the bottom of the tower.
- (e) Steam (by product)— The reactor’s exothermic reaction and off gas treated by off gas treatment could generate steam after being processed. Off gas can be reused in the process circularly. The steam can turn into chilling water through the absorption chiller for the cooling process.

- (f) Transmit the formaldehyde into the storage tanks and keep the temperature at 58 degrees.
- (g) Combine 53% formaldehyde, urea and others in sequence according to the recipe and production specifications and heat up to 90 degrees to start the methylation addition reaction.
- (h) Reaction—Condensation reaction : The acid medium is used as the starting agent to activate the reaction, and then the alkaline medium is used as the terminating agent to terminate the reaction. During the reaction, the physical properties such as pH and viscosity are tested the end point of the reaction.
- (i) Addition of Stabilizers - adding dispersants, sodium hydroxide, and borates can increase storage stability.
- (j) Cooling—The final product, resin, is pumped into the cooler to reduce the temperature to 28 degrees and then transmitted to the storage tanks.
- (k) Curing—The resin is stored in the storage tanks for curing, and ready for shipment.

(3) Primary Raw Material Supply Status:

The primary raw materials of PB products in the Company include rubber wood branches, slabs, and resin as the bonding agent. Since the resin factory opened in October 2021, the resin production volume can meet the partial demand of PB. Also, for suppliers of such type of resin, there are a lot of raw material suppliers in Thailand available for selection, with stable quality and source. Moreover, the primary raw materials of resin are common chemical materials worldwide, and the supply won't be short.

The primary raw materials of MFC are PB and impregnated papers. PB is supplied by the PB plant for the Company, and suppliers of impregnated papers cooperate with the manufacturing process of the Company to continuously adjust formula and provide stable supply. There are many such types of suppliers in Thailand, Malaysia, and China capable of cooperatively providing such materials. Therefore, the raw material source supplies are not in shortage.

The raw materials of solid wood boards are rubber woods logged by rubber farmers in various regions, and the main raw material suppliers have had a business relationship with the Company for a long time and excellent cooperation has been maintained; therefore, the wood materials supply source is abundant. In addition, they are also able to provide fuel woods, fine branches, and remains from the solid wood boards manufacturing process to the PB plant for use. Furthermore, for the purchase of primary raw materials, the Company also maintains more than two suppliers in order to stabilize the supply source.

(4) Major Suppliers and Customers:

A. Name of suppliers accounting for more than 10% of the total purchase amount of the Company in any one of the most recent two years and the purchase amount and ratio thereof:

Unit: In Thousands of New Taiwan Dollars

Item	2022				2023				2024 up to the End of the 1 st Quarter			
	Name	Amount	Annual Net Purchase Percentage (%)	Relationship With the Issuer	Name	Amount	Annual Net Purchase Percentage (%)	Relationship With the Issuer	Name	Amount	Net Purchase Percentage up to the First Quarter of the Current Year (%)	Relationship With the Issuer
1	PCM (Thailand) Company Limited	394,915	16.94	None	PCM (Thailand) Company Limited	332,973	12.33	None	PCM (Thailand) Company Limited	6,767	0.83	None
	Others	1,935,698	83.06		Others	2,368,478	87.67		Others	813,365	99.17	
	Net Purchase Amount	2,330,613	100.00		Net Purchase Amount	2,701,451	100.00		Net Purchase Amount	820,132	100.00	

There are no apparent changes in the major suppliers of the Company in the most recent two years.

B. Name of customers accounting for more than 10% of the total sales amount of the Company in any one of the most recent two years and the sales amount and ratio thereof:

Unit: In Thousands of New Taiwan Dollars

Item	2022				2023				2024 up to the End of the 1 st Quarter			
	Name	Amount	Annual Net Sales Percentage (%)	Relationship With the Issuer	Name	Amount	Annual Net Sales Percentage (%)	Relationship With the Issuer	Name	Amount	Net Sales Percentage up to the First Quarter of the Current Year (%)	Relationship With the Issuer
1	Company A	335,535	8.86	None	Company A	579,327	12.45	None	Company A	198,445	15.51	None
	Others	3,450,297	91.14		Others	4,075,246	87.55		Others	1,081,200	84.49	
	Net Sales Amount	3,785,832	100.00		Net Sales Amount	4,654,573	100.00		Net Sales Amount	1,279,645	100.00	

There are no apparent changes in the major sales customers of the Company in the most recent two years.

(5) Production Quantity Table for the Most Recent Two Years:

Unit: Cubic Meters/Ton; Unit: In Thousands of New Taiwan Dollars

Year	2022			2023		
Production Main Products	Production Capacity	Production Quantity	Production Amount	Production Capacity	Production Quantity	Production Amount
PB	1,383,000	765,502	3,550,659	1,383,000	994,830	4,023,535
Solid wood Boards	47,000	22,035	262,573	47,000	22,168	299,993
Urea Formaldehyde resin	108,000	44,612	794,838	108,000	66,455	125,698
Total	1,538,000	832,149	4,608,070	1,538,000	1,083,453	4,449,226

In 2022, due to inflation, the US FED rate hikes, as well as the impact of the Russo-Ukrainian war, etc., impacted global economic recession have resulted in lower the Company's export volume and revenue. As the revenue dropped, the stock level rose, so the Company reduced the production volume to avoid the risk of inventory backlog and maintain the liquidity of funds; However, the Company has recognized a growing demand in the Chinese market for high-end products such as E0, P2, and formaldehyde-free boards (NAF) in recent years. Consequently, we are intensifying the research and development of these products and enhancing production efficiency starting from the second half of 2023 to elevate the sales proportion of high-end products, and the producing quantity and value of particle board and its raw materials has increased.

(6) Sales Quantity Table for the Most Recent Two Years:

Unit: In Thousands New Taiwan Dollars

Year	2022				2023			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
Sales Main Products	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
PB (Cubic Meters)	11,830	61,906	727,203	3,444,809	11,160	50,918	1,001,616	4,228,515
Solid wood Boards (Cubic Meters)	3,546	36,644	14,804	235,114	3,852	39,298	18,978	289,377
Resin (Ton)	555	7,359	—	—	4,147	46,465	—	—
Total		105,909		3,679,923		136,681		4,517,892

The Company is committed to staying attuned to market trends, refining production and marketing strategies, pursuing further enhancements in multiple areas, and adapting our business strategies with agility. As the global economy rebounds, the sales volume in 2023 is higher than in 2022, increasing the operation revenue.

3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Unit: Person; %

Year		2022	2023	2024 up to March 31
Number of Employees	Managerial Officer	4	4	4
	Management Level Personnel	48	47	47
	General Employees	148	180	182
	Production Line Employees	847	870	873
	Total	1,047	1,101	1,106
Average Age		35.15	35.01	35.13
Average Service Years		4.88	5.14	5.18
Educational Level Distribution Percentage	PhD	0.19	0.18	0.27
	Master's Degree	1.72	1.73	1.72
	Bachelor's Degree	49.00	49.23	49.28
	Senior High School	6.97	6.27	5.61
	Below Senior High School	42.12	42.69	43.13

4. Disbursements for environmental protection

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

For the most recent year and up to the printing date of the Annual Report, the Company is not subject to any major loss or penalty due to environmental pollution. The Company continues to improve on environmental protection issues, and recover environmental wood powder and waste gas/water for recycling and reuse. In addition, the Company also enhances energy factory and drying equipment insulation, and improve Filter bag equipment and Purify cooling water quality, and uses degraded boards of PB as packaging materials. Such degraded boards can also be recovered as production raw materials. The above technique is able to effectively reduce the waste of resources. In July 2011, the Company received the Environmental Good Governance Award issued by the Ministry of Industry in Thailand. The Company continues to optimize waste water sludge removal and waste gas filtering system. Consequently, in May 2018, GP activated the wet electrostatic precipitating system from Europe that is ahead of the regulatory requirements specified in the laws and regulations of Southeast Asia and Thailand. GPT also complete and activated the system in July 2022. In addition to the satisfaction of the environmental protection standards, the Company is able to achieve an effective control effect on PM 2.5 particles in the air, SO₃ acid fog, organic pollutants, heavy metal pollutants, etc., in order to create a green economy with sustainable co-existence with the environment.

5. Labor Relations

(1) The Company's Employee Welfare Measures, Continued Education, Training, Retirement System, and Implementation Thereof, and Labor Management Agreement and Various Employee Benefit Protection Measures Status

A. Employee Welfare Measures

- (a) Facilities and Services: The plant area provides a convenient employee cafeteria, medical room, employee dormitory, house rental subsidy, mobile subsidy, and downtown shuttle bus for commuting. In addition, the facility includes a fitness room and karaoke room in order to allow employees to relax, exercise, and maintain physical and mental health.
- (b) Caring: The Company provides free annual physical check-ups, birth, injury, and hospitalization subsidies and marriage/funeral compensation, and employee loan.
- (c) Welfare and Bonus: Year-end bonus, is based on the Company's operating performance of the current year; incentives and performance bonus are referring to service year and individual performance., Travel subsidy, lunch and dinner subsidy, birthday gift, employee uniform, personal safety protection equipment, convention of various types of sports and skills competition aperiodically, year-end party, family day, traditional religious or festive activities, free vehicle parking lot.
- (d) Place for Exercise: The Company provides a place for employees and relatives to exercise in order to perform various types of sports and contests, such as: sepak takraw, soccer, badminton, etc. in order to simulate team spirit and promote personal health.
- (e) Insurance System: The Company provides local social medical care in Thailand, and further provides employee group accident insurance, medical insurance, and travel safety insurance welfare measures in order to allow employees to have complete living medical care and safety securement.
- (f) Leaves: Employees are entitled to 6 ~15 days of annual leaves once be employed for more than one year. Employees are entitled to 30 days of sick leaves with pay, six days of personal leaves with pay, three days of marriage leave with pay, three days of bereavement leave with pay, 98 days of maternity leaves, and seven days of sterilisation leaves. If an employee who has encountered situations involving parental issues, major injury or sickness, or major incidents needs to take a certain period off; in that case, the employee could also apply for leaves without pay to concentrate on personal or family business.

B. Employee Continuing Education and Training Program:

The growth of a company is closely related to the development of employees, and employees are the most valuable resource of the Company. The Company is devoted to creating a continuous and content-rich learning environment, and to integrate internal and external resources, in order to cultivate and improve employees' abilities and to allow employees to grow together with the Company.

According to nature and the requirements of personal work, performance evaluation results, and career development needs, the Company provides comprehensive learning channels and development resources, including new employees' orientation, on-job training, class training, external training, work guidance, and work rotations, etc.

The Company systematically provides a series of general knowledge, professional, and management training courses for employees of different job positions, and the Company not only invites external experts to provide courses, but also cultivates internal instructors in order to pass on internal important knowledge and skills of the Company.

The training courses provided by the Company include:

- (a) New Employee Orientation: Including basic training and on-board guidance. In addition, supervisors of new employees can also assist new employees to adapt to the Company's culture and work content swiftly.
- (b) General Knowledge Educational Training: Including Thailand local government laws and regulations, Company policy requirements, and the Company's overall or general knowledge of all levels of training activities, such as industrial safety training courses, safety and health training courses, quality training courses, plant site emergency responsive training courses, Thai and Burmese, etc. language training, and personal performance management courses, such as time management, interpersonal relationships, team cooperation courses, etc.
- (c) Professional/Occupational Training: Including various skill and professional trainings necessary for each job function unit, such as equipment engineering courses, Finance and Accounting courses, information technologies, tax law in Thailand and labor law in Thailand courses, etc.
- (d) Supervisor Training: According to the management skills and management job function requirements of each level of supervisors, plan and manage development training activities. The content includes: preliminary supervisor core courses, middle level supervisor core courses, senior level supervisor core courses, and other elective courses.
- (e) Direct Personnel Training: Knowledge, skills, and attitude necessary for technicians at work in order to allow them to qualify for certificates for operating equipment. The content includes direct personnel skill training courses, online actual operation training courses, etc.

In addition to internal educational training, the Company also subsidizes employees participating in external short-term seminar courses and long-term degree and credit courses, in order to further encourage employees to improve job professional skills in light of long-term planning and dedication in service of the Company.

In 2023, there were a total of 144 educational training courses organized internally by the Company, the total number of course hours was 733 hours, and the number of trainees reached 1,953 employees. There were a total of 79 external educational courses for employees assigned for participation, the total number of course hours was 652 hours,

and the number of trainees reached 183 employees. The training expense total was approximately THB 1,160 thousand.

C. Retirement System and its implementation

The company operates in Thailand, which does not have the same pension provisions as Taiwan. According to Chapter 11, Section 118 of the Thai Pension Regulations and Labor Protection Act, local employees are provided with a defined benefit plan for their pension. Employees over sixty years old are eligible for pensions based on their seniority. The human resources department reviews qualified employees at the end of each year and calculates and pays pensions based on their wages at that time. Employees can also apply for pensions in the middle of the year, which are calculated until the retirement date. The company recognizes the relevant pension liabilities in the financial statements based on an actuarial report issued by the actuary. In 2023, the Human Resources Department identified two eligible employees; one had applied in the middle of the year. Two eligible employees had been paid in 2023, with a total payment of 187,680 baht.

D. Labor Management Agreement and Various Employee Benefit Protection Measures Status

The Company values two-way communication and is committed to providing open and transparent communication channels between supervisors and employees as well as between employees. To listen to the opinions and voices from employees, the Company establishes labor management negotiation meetings in order to provide one-way and two-way windows for employees and supervisors as well as managers to communicate. The Company also organizes monthly meetings and promotes Company policy in order to allow employees to directly reflect all issues, thereby establishing a fair and effective communication mechanism to understand employees' thoughts and to set up dedicated personnel to handle the issues fed back by employees in a timely manner, and allow employees to have the right to obtain information and express opinions on the company's business management activities and decisions in order to achieve labor management harmony to jointly reach the win-win goal for the enterprise and employees. The Company sets up dedicated personnel to manage various rules, system regulations, and employee reward and punishment codes in order to allow employees to clearly understand their own rights, obligations, and welfare items. In addition, through periodic timely review, relevant regulation content is revised in order to protect the rights and benefits of employees.

- (2) For most recent year and up to the printing date of the Annual Report, losses due to labor-management disputes, estimated current and possible future losses and countermeasures. If it cannot be reasonably estimated, explanation of facts for such failure of reasonable estimation shall be described: None.

6. Cyber security management

- (1) Describe the cyber security risk management framework, cyber security policies, specific managing measurements, and investments in resources for cyber security management:

- A. Under Administration and Management Division and appointed the Cyber security manager, the IT department periodically checks the information security of the Company, which is led by the IT department head. The IA department audits the computer cycle-information security annually and reports the audit results to the Audit Committee and Board of Directors.
- B. Information Security Policy established by the Company which includes (a) Data redundancy, (b) Data storage, (c) System security, (d) level of risk, (e) authorization and (f) regulations of the system and email usage. The Company announces the policy on the intranet in order to allow all employees to access and to comply. IT department periodically evaluate the information security in compliance with the policy and report to the CEO.
- C. Perform major updates of systems irregularly. In the case of major information security risks, the announcement is made, and corresponding measures are adopted. Arrange information security courses every year for training an employee to identify fishing emails. The system is protected by password, and the authentication scheme is Single sign-on which is easy to maintain and manage.
- D. To strengthen network security, cope with the popularity of the Internet of Things and the information security issues associated. Reduce hazards caused by viruses, worms, and other network attacks, adopt various security preventive measures and update periodically, including the technologies of firewalls, intrusion detection systems, anti-virus software, etc., in order to respond to and reduce harm caused by various network attacks in a timely manner.
- E. The information system infrastructure has been established with host machine redundancy and remote data backup mechanisms of high availability in order to ensure uninterrupted service. Daily perform network operating environment detection and regular data backup and store the backup at a remote site for preservation. Enhance various simulation tests of the machine room and emergency drills in order to ensure the normal operation of information system and data security, thereby reducing system interruption risks caused by unexpected natural disasters and human errors, such that the expected system recovery target time can be satisfied. In the future, the Company will perform upgrade on selected systems for system infrastructure, expansion flexibility and disaster recovery, information security, etc. According to the risk level, design is planned and appropriate software/hardware equipment is upgraded. In addition, the storage space of remote data backup is evaluated.
- F. The specific managing measurements are as follows: (a) In 2023, the IT department sent at least five newsletters or notifications to all employees, reminding employees to be alert to any abnormal letters and immediately notify IT personnel. (b) The Cyber security manager also arranges information security internal training courses for the IT personnel. In addition, updates and exchanges of the latest information on cyber security from related manufacturers at any time. Two internal trainings for information security were held in 2023. (c) The setting of accounts and related authorities must be approved in

advance. (d) An audit for computer system cycle-cyber security was performed in July 2023.

- (2) For most recent year and up to the printing date of the Annual Report, losses due to significant information security matters, the estimated possible impacts and countermeasures. If it cannot be reasonably estimated, an explanation of facts for such failure of reasonable estimation shall be described: None.

7. Important Contracts

Contract Type	Involved Parties	Contract Starting and End Date	Major Content	Restrictions
Financing Contract	TTB Bank and TDICS	2019.08.21-2027.08.21	Loan agreement	During the agreement period, the TDICS commits to maintain the following financial ratios: (1) The debt-to-equity ratio for each year (total liabilities including intangible liabilities divided by total equity): A.Year 2019 for not exceeding 3.5 times; B.Year 2020 for not exceeding 6 times; C.Year 2021 for not exceeding 6.5 times; D.Year 2022 for not exceeding 4.5 times; E.Year 2023 for not exceeding 3.5 times; F.Year 2024 for not exceeding 2.5 times; G.Year 2025 onward for not exceeding 2 times; (2) Debt service coverage ratio (the total of income before tax including amortization, depreciation and interest expense, divided by the total of principal and interest on the outstanding principal from the previous reporting period) for not less than: A.Year 2021 to year 2023 for at least 1.1 times; B.From year 2024 onward for at least 1.2 times.
Financing Contract	Land Bank of Taiwan and other Lenders and GRH	2022.05.10-2025.05.10	Syndicated Loan agreement	During the agreement period, the GRH commits to maintain the following financial ratios: (1) Debt Ratio: Before December 31, 2022, it shall not be higher than three hundred and twenty percent (320%); after December 31, 2023 (inclusive), it shall not be higher than two hundred and fifty percent (250%). (2) Interest Coverage Ratio: not less than four times. (3) Net Tangible Assets: not less than NT\$1.5 billion.

8. Employee Working Environment and Personnel Safety Protection Measures

Type	Item	Description
Employee Safety	Access Management	Install CCTV system to maintain the office safeness and Entrust a qualified security company to perform access control management, night patrol, and security maintenance operation 24-hour.
	Factory Safety Management	1. According to the work regulations and annual plan, hiring qualified inspectors to check and maintain the electricity, machine unit, fire prevention, water tower, drinking fountain etc. equipment implementation and execution on-site to ensure personnel safety. 2. Entrust the local health office to perform plant site cleaning and disinfection operations every year. 3. Depends on the cumulative mileage, perform maintenance and care to company cars and forklift periodically. Also, provide periodic operating training for drivers. 4. Provide lighting, noise, temperature and dust detection in the working area
	Disaster Prevention and Countermeasures	1. Entrust a qualified professional institution to handle fire prevention and escape training, and disaster prevention and countermeasures practical drills once a year. 2. Prepare employment safety equipment (safety helmets, safety boots, masks, gloves, reflective vest...).
Employee Insurance	Social Insurance	1. Apply for labor insurance according to the law and the insurance enrollment range table requirements. 2. Apply for social insurance for expatriates according to the local laws.
	Group Insurance	Apply for accident insurance and accident medical insurance for employees.
	Travel Safety Insurance	Additionally, apply for travel safety insurance (including flight safety insurance) for employees assigned for business trips in order to guarantee the protection of personal safety during the business trip period.
Physical and Mental Health	Health Examination	Entrust qualified medical hospitals and clinics to perform periodic health examinations annually, and request the Health Bureau/Office to assign personnel to provide supervision in order to maintain the health examination quality.
	Medical Care	Integrate local hospital resources, and establish a medical office on the plant site.
	Educational Training	Organize courses of pressure (emotion) management, communication skill, and creative thinking, etc., hold lectures of mental accommodation and Knowledge Enhancement, and occupational injury prevention courses, etc.
	Others	1. The entire office area is a non-smoking area, and outdoorsmoking areas are additionally set up. 2. Entrust the health office to perform general first-aid training once a year. 3. Set up an employee cafeteria (Set up UV disinfection machine and safety partitions during epidemic prevention) and entrust the local hospital to perform periodic inspection on the dietary hygiene. 4. Organize various types of sports contests irregularly. 5. Setting up facial recognition time clock terminals, providing masks, alcohol.

VI. Financial Information

1. Five-Year Financial Summary

(1) Condensed Balance Sheet and Comprehensive Income Statement

A. Condensed Balance Sheet

Unit: In Thousands of New Taiwan Dollars

Item \ Year		Financial Information for the Latest 5 Years					2024 up to March 31 Financial Information
		2019	2020	2021	2022	2023	
Current Assets		1,291,469	1,048,566	1,595,721	1,363,193	1,381,998	1,069,317
Property, Plants, and Equipment		7,104,111	7,497,180	6,700,256	6,955,171	6,604,824	6,397,613
Right-of-use assets		3,539	22,583	9,911	10,595	10,342	8,738
Intangible Assets		46,117	42,920	33,529	29,926	23,714	26,438
Other Assets		178,509	198,246	73,712	258,646	291,089	490,830
Total Assets		8,623,745	8,809,495	8,413,129	8,617,531	8,311,967	7,992,936
Current Liabilities	Before Distribution	1,388,726	1,704,903	6,288,445	1,486,628	2,188,724	2,328,729
	After Distribution	1,388,726	1,704,903	6,288,445	1,486,628	Note 2	Note 2
Nom- Current Liabilities		4,639,098	4,936,269	76,193	5,466,033	4,655,047	4,610,833
Total Liabilities	Before Distribution	6,027,824	6,641,172	6,364,638	6,843,771	6,939,562	6,913,325
	After Distribution	6,027,824	6,641,172	6,364,638	6,952,661	Note 2	Note 2
Total equity attributable to owners of parent		2,601,636	2,185,011	2,073,159	1,709,331	1,514,964	1,098,876
Common stock		737,703	847,669	897,669	897,669	1,007,669	1,004,669
Capital reserve		937,451	937,451	1,275,062	1,251,771	1,502,321	1,494,459
Retained Earnings	Before Distribution	430,546	300,660	702,411	(83,304)	(696,127)	(1,001,948)
	After Distribution	320,580	300,660	702,411	(83,304)	Note 2	Note 2
Other Equity		541,132	144,427	(756,787)	(302,812)	(244,906)	(364,634)
Treasury Shares		(45,196)	(45,196)	(45,196)	(53,993)	(53,993)	(33,670)
Non-controlling Interest		(5,715)	(16,688)	(24,668)	(44,461)	(46,768)	(45,502)
Total Equity	Before Distribution	2,595,921	2,168,323	2,048,491	1,664,870	1,468,196	1,053,374
	After Distribution	2,595,921	2,168,323	2,048,491	1,664,870	Note 2	Note 2

Note 1: The financial information from 2019 to 2023 has been audited and certified by the independent auditors; the financial information for 2024 up to the March 31 has been audited by the independent auditors.

Note 2: The annual earnings distribution proposal has not been approved through resolution of the Shareholders' Meeting.

B. Condensed Comprehensive Income Statement

Unit: In Thousands of New Taiwan Dollars

Item \ Year	Financial Information for the Latest 5 Years					2024 up to March 31 Financial Information
	2019	2020	2021	2022	2023	
Operating Revenues	2,806,854	3,503,653	5,752,477	3,785,832	4,654,573	1,279,645
Gross Profit	176,614	438,185	1,375,020	401,964	481,306	187,328
Net Operating Profit (Loss)	(267,854)	(84,248)	413,831	(407,885)	(196,936)	3,527
Non-operating Income and Expense	(64,940)	28,382	(4,949)	(481,855)	(442,883)	(296,822)
Profit (Loss) Before Taxes	(332,794)	(55,866)	408,882	(889,740)	(639,819)	(293,295)
Profit (loss) from continuing operations	(319,339)	(33,885)	383,559	(804,627)	(624,700)	(296,011)
Profit (loss) from discontinued operations	—	—	—	—	—	—
Net Income (Loss)	(319,339)	(33,885)	383,559	(804,627)	(624,700)	(296,011)
Other Comprehensive Income (Loss), Net of Taxes	429,824	(393,713)	(891,002)	453,094	67,476	(118,811)
Total Comprehensive Income	110,485	(427,598)	(507,443)	(351,533)	(557,224)	(414,822)
Net Income Attributed to Owners of Parent	(306,643)	(22,737)	394,308	(787,309)	(622,442)	(296,360)
Net Income Attributable to Non-controlling Interests	(12,696)	(11,148)	(10,749)	(17,318)	(2,258)	349
Compressive Income Attributable to Owners of Parent	123,915	(416,625)	(499,463)	(331,740)	(554,917)	(416,088)
Compressive Income Attributable to Non-controlling Interest	(13,430)	(10,973)	(7,980)	(19,793)	(2,307)	1,266
Earnings (Deficits) per Share (NTS) (Note 1)	(4.18)	(0.27)	4.62	(8.82)	(6.98)	(2.96)

Note 1: Basic earnings (deficits) per share attributable to owner of the parent.

Note 2: The financial information from 2019 to 2023 has been audited and certified by the independent auditors; the financial information for 2024 up to the March 31 has been audited by the independent auditors.

(2) Names of Independent Auditors and Audit Opinions for the Last Five Years

Year	CPA	CPA Firm	Audit Opinion
2019	CPA, Chao, Min-Ju, CPA, Chang Chun-I	KPMG	Unqualified Opinion
2020	CPA, Chang Chun-I, CPA, Chao, Min-Ju		
2021			
2022	CPA, Chao, Min-Ju, CPA, Chang Chun-I		
2023	CPA, Chiang Chia-Chi, CPA, Chao, Min-Ju		

2. Financial Analysis for the Last Five Years

(1) Financial Analysis

Analysis Item \ Year		Financial Analysis for the Last Five Years					2024 up to March 31 Financial Information
		2019	2020	2021	2022	2023	
Financial Structure (%)	Debt Ratio	69.90	75.39	75.65	80.68	82.34	86.82
	Ratio of Long-Term Capital to Property, Plants, and Equipment	101.84	94.76	31.71	102.53	92.71	88.54
Solvency (%)	Current Ratio	93.00	61.50	25.38	91.70	63.14	45.92
	Quick Ratio	75.57	38.49	15.67	47.81	39.07	26.02
	Interest Earned Ratio (Times)	(801.39)	23.78	496.36	(274.63)	(43.65)	(155.87)
Operating Performance	Accounts Receivable Turnover (Times)	19.31	17.35	14.77	11.22	19.94	14.74
	Average Collection Period	19	21	25	33	18	25
	Inventory Turnover (Times)	13.06	10.70	9.41	5.62	7.27	9.11
	Accounts Payable Turnover (Times)	19.58	15.95	14.19	13.63	30.17	6.52
	Average Days in Sales	28	34	39	65	50	40
	Property, Plants, and Equipment Turnover (Times)	0.45	0.48	0.81	0.55	0.69	0.79
	Total Asset Turnover (Times)	0.33	0.40	0.67	0.44	0.55	0.63
Profitability	Return on Total Assets (%)	(3.43)	0.28	5.41	(7.22)	(3.17)	(10.02)
	Return on Shareholders' Equity (%)	(12.13)	(1.42)	18.19	(43.34)	(39.88)	(93.91)
	Pre-tax Income to Paid-in Capital (%)	(45.11)	(6.59)	45.55	(99.12)	(63.49)	(116.77)
	Profit Ratio (%)	(11.38)	(0.97)	6.67	(21.25)	(13.42)	(23.13)
	Earnings (Deficits) per Share (EPS) (NT\$)	(4.18)	(0.27)	4.62	(8.82)	(6.98)	(2.96)
Cash Flow	Cash Flow Ratio (%)	Note 1	10.20	7.28	Note 1	Note 1	Note 1
	Cash Flow Adequacy Ratio (%)	25.63	23.99	19.44	7.70	5.67	17.80
	Cash Reinvestment Ratio (%)	Note 1	1.98	11.53	Note 1	Note 1	2.44
Leverage	Operating Leverage	0.04	Note 1	1.96	Note 1	Note 1	35.81
	Financial Leverage	Note 2	Note 2	1.33	Note 2	Note 2	Note 2

Explanations for the Variations of Financial Ratios for the Last Two Years: (increase/decrease changes reaching 20%):

- A. Current ratio was decreased which was mainly due to the company's short-term financing for operational turnover needs and the reclassification of long-term loans due within one year to current liabilities, causing the current liabilities of 2023 to increase from 2022.
- B. Interest earned ratio, Return on Total Assets, Pre-tax Income to Paid-in Capital, Profit Ratio, Earnings (Deficits) per share, and Cash Flow Adequacy ratio were decreased which was mainly due to in 2022 and the beginning of 2023, there has been no significant growth in orders from the U.S. market. As a result, the Company's orders from Vietnam and Indonesia, the primary furniture exporters to the United States, have decreased. Additionally, the quotations for particle boards in Southeast Asia remain relatively low, hindering the Company's ability to generate profit. As the global economy rebounds since 2023 Q2, the sales volume grows; with the decrease in freight rates, the net operating loss and the net cash flows used in operating activities are less than in 2022.
- C. Accounts Receivable Turnover (Times), Inventory Turnover (Times), Accounts Payable Turnover (Times), Property, Plants, and Equipment Turnover (Times) and Total Asset Turnover (Times) were increased & Average Collection Period and Average Days in Sales were decreased, which was mainly due to the global economy rebounds, the sales volume in 2023 is higher than in 2022, increased the operating revenue and COGS.

Note 1: Since the ratio is negative, it is not applicable.

Note 2: Since the Net Operating Profit is a loss, it is not calculated.

Note 1: Calculation formulas as follows:

1. Financial Structure

- (1) Debt to total assets ratio = Total debt/Total assets.
- (2) Ratio of long-term capital to Property, plants, and equipment = (Total equity + Non-current liabilities)/Net worth of Property, plants, and equipment.

2. Debt Servicing Capability

- (1) Current ratio = Current assets/Current liabilities.
- (2) Quick ratio = (Current assets - Inventory - Pre-payment)/Current liabilities.
- (3) Interest earned ratio = Profit before income tax and interest expense/Interest expense.

3. Operating Performance

- (1) Accounts receivable (including receivable amounts and receivable bills from operation) turnover = Net sales/Average accounts receivable in each period (including receivable amounts and receivable bills from operation) balance.
- (2) Average collection period = 365/Accounts receivable turnover.
- (3) Inventory turnover = Sales cost/Average inventory amount.
- (4) Accounts payable (including payable amounts and payable bills from operation) turnover = Sales cost/Average accounts payable in each period (including payable amounts and payable bills from operation) balance.
- (5) Average days in sales = 365/Inventory turnover.
- (6) Property, plants, and equipment turnover = Net sales/Average net worth of Property, plants, and equipment.
- (7) Total assets turnover = Net sales/Average total assets.

4. Profitability

- (1) Return on assets = [Earnings after tax + Interest expenses × (1 - Interest rate)]/Average total assets.

- (2) Return on shareholders' equity = Earnings (loss) after taxes/Average total equity.
- (3) Profit ratio = Earnings (loss) after taxes/Net sales.
- (4) Earning per share = (Earnings of parent company owner - Preference dividends)/Weighted average number of shares outstanding.

5. Cash Flow

- (1) Cash flow adequacy ratio = Net cash flow from operating activities/Current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flows from operating activities in the last five years/(Capital expenditure + Inventory increase + Cash dividends) in the last five years.
- (3) Cash flow reinvestment ratio = (Cash provided by operating activities - Cash dividends)/(Gross Property, plant and equipment + Long-term investments + Other non-current assets + Working capital).

6. Leverage:

- (1) Operating leverage = (Net sales - Variable cost)/Income from operations.
- (2) Financial leverage = Income from operations/(Income from operations - Interest expense).

Note 2: The financial information from 2019 to 2023 has been audited and certified by the independent auditors; the financial information for 2024 up to the March 31 has been audited by the independent auditors.

3. Audit Committee's Review Report for the Most Recent Year's Financial Statements

GREEN RIVER HOLDING CO. LTD.

綠河股份有限公司

Audit Committee's Review Report

The Board of Directors prepares and submits the 2023 Business Report, Consolidated Financial Statements, and Deficit Compensation Proposal, where the Consolidated Financial Statements are audited by KPMG's CPA Chiang, Chia-Chi and CPA Chao, Min-Ju, entrusted by the Company, and the Audit Report is issued. The aforementioned Business Report, Consolidated Financial Statements, and Deficit Compensation Proposal have been reviewed by the Audit Committee, considering it to be in conformity. Accordingly, the Report is prepared as disclosed above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Green River Holding Co. Ltd

Audit Committee Convener: Chang, Jun-En

March 6, 2024

4. 2023 Consolidated Financial Statements with Independent Auditors' Report

Independent Auditors' Report

To the Board of Directors of Green River Holding Co. Ltd.:

Opinion

We have audited the consolidated financial statements of Green River Holding Co. Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this account report are as follows:

1. Revenue recognition

Please refer to note 4(k) "Revenue" for accounting policy related to revenue recognition, and note 6(q) for the information related to revenue of the consolidated financial statements.

Description of the key audit matter:

Revenue is the key performance indicator for the management to evaluate the performance of the finance and operation of the Group and draws high attention from the public. Therefore, revenue recognition was considered one of the key matters in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Assessed and tested the design, and the effectiveness of the internal control operation on revenue recognition.
- Performed trend analysis on operating income of the current period and of the last period, as well as the latest quarter from each top ten customers to assess the occurrence of any significant exceptions, and further identified and analyzed the reasons if there was any significant variation.
- Performed tests of details on sales to assess the assertions of existence and accuracy, as well as the appropriateness of recognition.
- Performed sales cut-off test of a period before and after the balance sheet date by vouching relevant documents of sales transactions to determine whether the revenue has been appropriately recognized.

2. Property, plant and equipment impairment assessment

For the impairment loss of property, plant and equipment, please refer to note 4(j) "Impairment – non financial assets" for accounting policy, and note 5 for the accounting assumptions and estimation uncertainty, and note 6(e) for the information related to impairment assessment. .

Description of key the audit matter:

If a subsidiary of the Group holds real estate and a large amount of production equipment, the book value of the assets may be overestimated if the profitability of the assets is not as high as expected due to poor operation or other unanticipated conditions. The book value of the assets may be overestimated and the risk of asset impairment may be significant.

In the process of asset impairment assessment, management makes subjective judgments and determines the potential future revenues and expenses, discount rates and discounted cash flows of specific asset groups based on the characteristics of the industry and future operating development.

Any changes in estimates due to changes in economic conditions or corporate strategies may result in significant impairment in the future. Therefore, we have identified the impairment of property, plant and equipment as one of the significant items in our review of the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Obtained management's assessment of impairment indicators.
- Obtained management's assessment of the recoverable amount of assets based on future cash flows.
- To assess the reasonableness of the methods and information used by management, and measure the recoverable amount of assets. To engage internal experts to evaluate the reasonableness of the material assumptions.
- Evaluated the reasonableness of the impairment loss recognized by the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiang, Chia-Chi and Chao, Min-Ju.

KPMG

Taipei, Taiwan (Republic of China)

March 13, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 466,066	6	500,915	6	2100	Short-term loans (notes 6(e), (h), (z), 7 and 8)	\$ 940,825	11	629,908	7
1137	Current financial assets at amortized cost (note 6(b))	6,968	-	224	-	2130	Current contract liabilities (note 6(q))	31,893	-	24,529	-
1170	Trade receivables, net (notes 6(c) and (q))	302,582	4	149,153	2	2170	Trade payables	128,625	2	114,053	2
1181	Trade receivable—related parties (notes 6(c), (q) and 7)	13,231	-	1,922	-	2180	Trade payable—related parties (note 7)	25,002	-	8,930	-
1200	Other receivables (note 7)	46,846	1	41,587	1	2200	Other payables (note 7)	266,435	3	254,544	3
130X	Inventories (note 6(d))	511,677	6	636,801	7	2322	Current portion of long-term loans (notes 6(b), (e), (i), (z), 7 and 8)	780,665	10	437,315	5
1470	Other current assets	34,628	-	32,591	-	2280	Current lease liabilities (notes 6(k) and (z))	8,957	-	8,762	-
	Total current assets	<u>1,381,998</u>	<u>17</u>	<u>1,363,193</u>	<u>16</u>	2399	Other current liabilities	6,322	-	8,587	-
15xx	Non-current assets:						Total current liabilities	<u>2,188,724</u>	<u>26</u>	<u>1,486,628</u>	<u>17</u>
1536	Non-current financial assets at amortized cost (notes 6(b) and 8)	98,770	1	94,787	1	25xx	Non-Current liabilities:				
1600	Property, plant and equipment (notes 6(e), 8 and 9)	6,604,824	80	6,955,171	81	2540	Long-term loans (notes 6(b), (e), (i), (z), 7 and 8)	4,619,424	56	5,422,463	63
1755	Right-of-use assets (note 6(f))	10,342	-	10,595	-	2570	Deferred tax liabilities (note 6(m))	1,854	-	3,808	-
1780	Intangible assets (note 6(g))	23,714	-	29,926	-	2580	Non-current lease liabilities (notes 6(k) and (z))	238	-	807	-
1840	Deferred tax assets (note 6(m))	189,547	2	163,419	2	2640	Net defined benefit plan liabilities (note 6(l))	32,178	-	37,614	1
1915	Prepayments for equipment (note 6(e))	2,772	-	440	-	2670	Other non-current liabilities	1,353	-	1,341	-
	Total non-current assets	<u>6,929,969</u>	<u>83</u>	<u>7,254,338</u>	<u>84</u>		Total non-current liabilities	<u>4,655,047</u>	<u>56</u>	<u>5,466,033</u>	<u>64</u>
							Total liabilities	<u>6,843,771</u>	<u>82</u>	<u>6,952,661</u>	<u>81</u>
						2xxx					
						31xx	Equity attributable to owners of parent (notes 6(n) and (o)):				
						3110	Common stock	1,007,669	12	897,669	11
						3200	Capital reserve	1,502,321	18	1,251,771	15
						33xx	Retained earnings:				
						3310	Legal reserve	44,957	1	44,957	1
						3320	Special reserve	302,812	4	657,454	7
						3350	Deficit yet to be compensated	(1,043,896)	(12)	(785,715)	(9)
							Total retained earnings	(696,127)	(7)	(83,304)	(1)
						34xx	Other equity:				
						3410	Exchange differences on translation of foreign financial statements	(244,906)	(3)	(302,812)	(4)
						3500	Treasury shares	(53,993)	(1)	(53,993)	(1)
							Total equity attributable to owners of parent	<u>1,514,964</u>	<u>19</u>	<u>1,709,331</u>	<u>20</u>
						36xx	Non-controlling interests	<u>(46,768)</u>	<u>(1)</u>	<u>(44,461)</u>	<u>(1)</u>
							Total equity	<u>1,468,196</u>	<u>18</u>	<u>1,664,870</u>	<u>19</u>
1xxx	Total assets	<u>\$ 8,311,967</u>	<u>100</u>	<u>8,617,531</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 8,311,967</u>	<u>100</u>	<u>8,617,531</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(q) and 7)	\$ 4,654,573	100	3,785,832	100
5000	Operating costs (notes 6(d), (e), (f), (g), (k), 7 and 12)	4,173,267	90	3,383,868	89
5900	Gross profit from operations	481,306	10	401,964	11
6000	Operating expenses (notes 6(c), (e), (f), (g), (k), (l), (o), 7 and 12):				
6100	Selling expenses	502,310	10	623,651	16
6200	Administrative expenses	178,349	4	184,528	5
6450	Expected credit loss (reversal of expected credit loss)	(2,417)	-	1,670	-
	Total operating expenses	678,242	14	809,849	21
6900	Net operating loss	(196,936)	(4)	(407,885)	(10)
7000	Non-operating income and expenses (notes 6(e), (j), (k), (s), (t), (u) and (v)):				
7100	Interest income	8,104	-	2,154	-
7010	Other income	26,050	1	10,873	-
7020	Other gains and losses	(31,649)	(1)	(242,918)	(6)
7050	Finance costs	(445,388)	(9)	(251,964)	(7)
	Total non-operating income and expenses	(442,883)	(9)	(481,855)	(13)
7900	Loss from continuing operations before tax	(639,819)	(13)	(889,740)	(23)
7951	Add: income tax benefit (note 6(m))	15,119	-	85,113	2
8200	Net loss	(624,700)	(13)	(804,627)	(21)
8300	Other comprehensive income (note 6(l)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	9,951	-	1,653	-
8349	Less: income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	9,951	-	1,653	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	57,525	1	451,441	12
8399	Less: income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	57,525	1	451,441	12
8300	Other comprehensive income, net of tax	67,476	1	453,094	12
8500	Total comprehensive loss	<u>\$ (557,224)</u>	<u>(12)</u>	<u>(351,533)</u>	<u>(9)</u>
8600	Net loss attributable to:				
8610	Owners of parent	\$ (622,442)	(13)	(787,309)	(21)
8620	Non-controlling interests	(2,258)	-	(17,318)	-
		<u>\$ (624,700)</u>	<u>(13)</u>	<u>(804,627)</u>	<u>(21)</u>
8700	Total comprehensive loss attributable to:				
8710	Owners of parent	\$ (554,917)	(12)	(331,740)	(9)
8720	Non-controlling interests	(2,307)	-	(19,793)	-
		<u>\$ (557,224)</u>	<u>(12)</u>	<u>(351,533)</u>	<u>(9)</u>
	Deficits per share (expressed in New Taiwan Dollars) (note 6(p))				
9750	Basic deficits per share	<u>\$ (6.98)</u>		<u>(8.82)</u>	
9850	Diluted deficits per share	<u>\$ (6.98)</u>		<u>(8.82)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings					Total	Exchange differences on translations	Treasury shares	Equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings (deficit yet to be compensated)						
Balance at January 1, 2022	\$ 669	897,1,275,062	44,957	-	657,454	702,411	(756,787)	(45,196)	2,073,159	(24,668)	2,048,491
Appropriation and distribution of retained earnings: Special reserve	-	-	-	657,454	(657,454)	-	-	-	-	-	-
Cash dividends from capital surplus	-	(26,691)	-	-	-	-	-	-	(26,691)	-	(26,691)
Net loss for the year	-	-	-	-	(787,309)	(787,309)	-	-	(787,309)	(17,318)	(804,627)
Other comprehensive income (loss)	-	-	-	-	1,594	1,594	453,975	-	455,569	(2,475)	453,094
Total comprehensive income (loss)	-	-	-	-	(785,715)	(785,715)	453,975	-	(331,740)	(19,793)	(351,533)
Increase in treasury share	-	-	-	-	-	-	-	(24,517)	(24,517)	-	(24,517)
Treasury shares sold to employees	-	3,400	-	-	-	-	-	15,720	19,120	-	19,120
Balance at December 31, 2022	\$ 669	897,1,251,771	44,957	657,454	(785,715)	(83,304)	(302,812)	(53,993)	1,709,331	(44,461)	1,664,870
Appropriation and distribution of retained earnings: Reversal of special reserve	-	-	-	(354,642)	354,642	-	-	-	-	-	-
Net loss for the year	-	-	-	-	(622,442)	(622,442)	-	-	(622,442)	(2,258)	(624,700)
Other comprehensive income (loss)	-	-	-	-	9,619	9,619	57,906	-	67,525	(49)	67,476
Total comprehensive income (loss)	-	-	-	-	(612,823)	(612,823)	57,906	-	(554,917)	(2,307)	(557,224)
Capital increase by cash	110,000	250,550	-	-	-	-	-	-	360,550	-	360,550
Balance at December 31, 2023	<u>\$ 669</u>	<u>1,007,1,502,321</u>	<u>44,957</u>	<u>302,812</u>	<u>(1,043,896)</u>	<u>(696,127)</u>	<u>(244,906)</u>	<u>(53,993)</u>	<u>1,514,964</u>	<u>(46,768)</u>	<u>1,468,196</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Loss before income tax	\$ (639,819)	(889,740)
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation expense	486,014	436,589
Amortization expense	6,458	6,132
Expected credit loss (reversal of expected credit loss)	(2,417)	1,670
Interest expense	445,388	237,500
Interest income	(8,104)	(2,154)
Share-based payments	-	6,040
Loss on disposal of property, plant and equipment	2,290	2,041
Property, plant and equipment reclassified to expense	1,554	2,673
Unrealized foreign exchange (gain) loss	(21,494)	148,384
Gain on lease modifications	(4)	-
Impairment loss on non-financial assets	72,714	-
Total adjustments to reconcile profit or loss	982,399	838,875
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Trade receivables	(154,621)	412,416
Trade receivables — related parties	(11,278)	(1,839)
Other receivables	(8,040)	15,991
Inventories	130,363	(26,673)
Other current assets	1,224	23,379
Total net changes in operating assets	(42,352)	423,274
Net changes in operating liabilities:		
Contract liabilities	7,146	(16,716)
Trade payables	13,664	(278,523)
Trade payables — related parties	15,975	8,544
Other payables	25,057	(40,389)
Other current liabilities	(1,155)	(21,844)
Net defined benefit plan liabilities	4,203	2,258
Total net changes in operating liabilities	64,890	(346,670)
Net changes in operating assets and liabilities	22,538	76,604
Total adjustments	1,004,937	915,479
Cash generated from operations	365,118	25,739
Interest received	8,259	2,002
Interest paid	(428,018)	(198,276)
Income taxes paid	(12,718)	(13,843)
Net cash flows used in operating activities	(67,359)	(184,378)
Cash flows from investing activities:		
Acquisition of financial assets at amortised cost	(335,191)	(90,014)
Proceeds from disposal of financial assets at amortised cost	324,413	48,523
Acquisition of property, plant and equipment	(164,442)	(253,758)
Proceeds from disposal of property, plant and equipment	-	385
Acquisition of intangible assets	-	(402)
Increase in prepayments for equipment	(2,325)	(421)
Net cash flows used in investing activities	(177,545)	(295,687)
Cash flows from financing activities:		
Increase in short-term loans	1,985,514	2,938,847
Decrease in short-term loans	(1,679,867)	(2,864,176)
Repayments of bonds	-	(4,479,569)
Proceeds from long-term loans	-	5,139,459
Repayments of long-term loans	(450,545)	(82,744)
Increase in guarantee deposits received	-	856
Repayment of lease principal	(13,773)	(10,999)
Cash dividends paid	-	(26,691)
Capital increase by cash	360,550	-
Cost of increase in treasury share	-	(24,517)
Treasury shares sold to employees	-	13,080
Net cash flows from financing activities	201,879	603,546
Effect of exchange rate changes on cash and cash equivalents	8,176	32,621
Net increase (decrease) in cash and cash equivalents	(34,849)	156,102
Cash and cash equivalents at beginning of year	500,915	344,813
Cash and cash equivalents at end of year	\$ 466,066	500,915

See accompanying notes to consolidated financial statements.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, unless otherwise specified)

Company history

Green River Holding Co. Ltd. (the "Company") was established in the Cayman Island on January 14, 2011. The establishment of the Company was completed through a group restructuring under which the Company acquired equity interests in Green River Panels (Thailand) Co., Ltd. ("GP") in December 2011 and the equity interests in Green River Wood & Lumber Manufacturing (Thailand) Co., Ltd. ("GRW") in February 2012 by way of share swap. On January 4, 2017 and February 20, 2017, the Company set up the subsidiaries named Happy Magic International Limited ("HM") and Green River Trang (Thailand) Co., Ltd. ("GPT"), respectively. On October 16, 2017, the Company acquired 85% shares of TDIC South Co., Ltd. ("TDICS") through HM.

The major business activities of the Company's subsidiaries are described in note 4(c).

(2) Approval date and procedures of the consolidated financial statements:

The board of directors of the Company authorized the issuance of the consolidated financial statements on March 13, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group's adoption of the new amendments, effective for annual period beginning on January 1, 2024, are expected to have the following impacts:

- (i) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants"

Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments have removed the requirement for a right to be unconditional and instead now require that a right to defer settlement must exist at the reporting date and have substance.

The amendments clarify the classification of liabilities is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement or will choose to settle early. An entity will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to an entity complying with covenants specified in a loan arrangement. The amendments specify only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e., future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, entities will now need to disclose additional information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments also clarify how an entity classifies a liability that can be settled in its own shares – e.g. convertible debt. When a liability includes a counterparty conversion option that involves a transfer of the entity's own equity instruments, the conversion option is recognized as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The amendments have now clarified that when an entity classifies the host liability as current or non-current, it can ignore only those conversion options that are recognized as equity.

The Group may need to change the liquidity classification of loans and convertible bonds and is evaluating the impact of its initial adoption of the amendments on its consolidated financial position.

- (ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

These material accounting policies adopted in preparing the consolidated financial statements were summarized below. The following material accounting policies have been applied consistently throughout all presented periods in the consolidated financial statements.

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (the IFRSs endorsed by the FSC).

- (b) Basis of preparation

The functional currency of each individual entity of the Group is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

- (c) Basis of consolidation

- (i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries.

Balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) List of subsidiaries included in the consolidated financial statements

Name of investor	Name of subsidiary	Major business	Percentage of ownership (%)		Remark
			December 31, 2023	December 31, 2022	
The Company	Green River Panels (Thailand) Co., Ltd. (GP)	Manufacturing, processing and selling particle board	100.00%	100.00%	
The Company	Green River Wood & Lumber Manufacturing (Thailand) Co., Ltd. (GRW)	Manufacturing and selling parawood	100.00%	100.00%	
The Company	Happy Magic International Limited (HM)	Investment activities	100.00%	100.00%	(Note 1)
The Company	Green River Panels Trang (Thailand) Co., Ltd. (GPT)	Manufacturing and selling particle board	100.00%	100.00%	(Note 2)
HM	TDIC South Co., Ltd. (TDICS)	Manufacturing and selling resin	85.00%	85.00%	
GRW	Green River Parawood Co., Ltd. (GRP)	Purchasing raw materials for parawood business and rendering sawmill services	48.39%	48.39%	(Note 3)
GRP	Thailand Nature Resource Co., Ltd. (TNR)	Manufacturing and selling parawood	100.00%	100.00%	(Note 3)

Note 1: In August and November 2023, and in October and December 2022, HM made capital reduction and returned \$247,564, \$177,375, \$322,200 and \$254,769, respectively, to the Company.

Note 2: In November 2022, the Company invested \$324,373 in GPT.

Note 3: Although the Company's ownership in GRP and TNR is less than 50%. The Company is able to dominate and govern the financial, operating and personnel policies of those investees and is deemed able to control the these investees.

All subsidiaries of the Company are included in the consolidated financial statements.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets not classified as current are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after at the end of the reporting period; or

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities not classified as current are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after at the end of the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprise cash on hand, demand deposits and checking deposit. Cash equivalents refer to short term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments instead of investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (except for a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, in the case of a financial assets or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue of the financial asset or financial liability. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the lifetime of the financial assets to the lifetime of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for the above stated objective. It is consistent with the Group's continuing recognition of the assets.

3) Assessment whether contractual cash flows are solely payments of principal and interest on the outstanding principal

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal amount during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

To assess whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In assessing, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivables, refundable deposit, and other financial assets).

Loss allowances for cash and cash equivalents, other receivables, guarantee deposit paid and other financial assets are measured by 12-month ECL for which credit risk (i.e. the risk of default occurring over the expected lifetime of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected lifetime of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected lifetime of the instrument is less than 12 months).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the debtor, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the debtor a concession that the lender would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital reserve or retained earnings (if the capital reserve is not sufficient to be written down).

During the cancellation of treasury shares, “capital reserve — share premiums” and “share capital” should be debited proportionately. Excess on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; Shortfall on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such differences should be accounted for under retained earnings.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(g) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted-average-cost method and comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

(h) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

(ii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Land improvement	5 to 30 years
Buildings	5 to 33 years
Machinery and equipment	2 to 33 years
Transportation equipment	5 to 8 years
Office equipment	3 to 10 years
Other equipment	3 to 33 years

(i) Intangible assets

The intangible asset of the Group refers to computer software.

The amortizable amount is the cost of an asset less its residual value. The amortization of intangible assets is recognized in profit or loss on a straight-line basis over 3 to 10 years from the date when they are made available for use.

(j) Impairment — non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss, and to reduce the carrying amounts of each assets in the CGU on a pro rata basis.

For assets other than Goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Recognition of revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional. Receipt of a prepayment from a customer is recognized as contract liability. Accumulated amount of contract liability is recognized as revenue when control over the products has been transferred to the customer.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of its transaction prices for the time value of money.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

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(l) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the record date or the subscription date when the board of directors authorized the capital increase for share-based payment.

(m) Income taxes

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

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There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

Information about uncertainties in assumptions and estimates that have a significant risk of causing a material adjustment in the following year is the test of impairment of the Group's property, plant and equipment. As there is an indication of impairment of the Group's property, plant and equipment, an impairment test is made at each reporting date. In the process of asset impairment test, the recoverable amount is estimated based on the assumptions of management's subjective judgment. Any changes in estimates due to changes in economic conditions or the Group's strategy may result in significant impairment losses in the future. For the test of impairment of property, plant and equipment, please refer to note 6(e) .

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash	\$ 89	263
Demand deposits	464,870	208,509
Checking deposits	370	398
Time deposits	737	291,745
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 466,066</u>	<u>500,915</u>

Please refer to note 6(w) for currency risk and sensitivity analysis of the financial instruments of the Group.

(b) Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Current:		
Refundable deposit	<u>\$ 6,968</u>	<u>224</u>
Non-current:		
Restricted deposit	\$ 96,954	93,037
Refundable deposit	1,816	1,750
	<u>\$ 98,770</u>	<u>94,787</u>

Please refer to note 8 for the disclosure of assets pledged as collateral for long-term and short-term loans and electricity guarantee.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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(c) Trade receivables

	December 31, 2023	December 31, 2022
Trade receivables	\$ 302,582	151,553
Trade receivable-related parties	13,231	1,922
Less: loss allowance	-	(2,400)
	<u><u>\$ 315,813</u></u>	<u><u>151,075</u></u>

The Group applies the simplified approach to assess its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, including analysis of the customers' ability and willingness to repay the bills according to the terms and conditions of contracts on due, as well as incorporated forward looking information. The loss allowance for expected credit losses was determined as follows:

December 31, 2023			
	Gross carrying amount	Expected credit loss during duration (%)	Loss allowance provision
T/T:			
Current	\$ 48,394	-	-
less than 180 days past due	57,627	-	-
	<u><u>\$ 106,021</u></u>		<u><u>-</u></u>
Other payment terms:			
Current	<u><u>\$ 209,792</u></u>	-	<u><u>-</u></u>
December 31, 2022			
	Gross carrying amount	Expected credit loss during duration (%)	Loss allowance provision
T/T:			
Current	\$ 19,469	-	-
less than 180 days past due	14,549	-	-
181 to 365 days past due	31,986	7.50	2,400
	<u><u>\$ 66,004</u></u>		<u><u>2,400</u></u>
Other payment terms:			
Current	<u><u>\$ 87,471</u></u>	-	<u><u>-</u></u>

As of March 13, 2024, the past due receivables on December 31, 2023 amounting to \$50,884 had been collected.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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The changes in the loss allowance of trade receivable are as follows:

	2023	2022
Balance at January 1	\$ 2,400	611
Impairment losses (reversal gain) recognized	(2,417)	1,670
Effect of exchange rate changes	17	119
Balance at December 31	\$ -	2,400

(d) Inventories

	December 31, 2023		
	Cost	Allowance for loss	Net realizable value
Raw materials	\$ 153,039	1,045	151,994
Supplies and spare parts	18,471	1,552	16,919
Work in process	21,943	221	21,722
Finished goods	336,678	15,636	321,042
Total	\$ 530,131	18,454	511,677

	December 31, 2022		
	Cost	Allowance for loss	Net realizable value
Raw materials	\$ 126,550	3,524	123,026
Supplies and spare parts	24,060	1,261	22,799
Work in process	20,808	68	20,740
Finished goods	481,530	11,294	470,236
Total	\$ 652,948	16,147	636,801

Details of other gains and losses arising from inventories recorded under operating costs were as follows:

	2023	2022
Cost of goods sold	\$ 4,050,656	3,069,501
Provision for devaluation and obsolescence of inventory	2,166	5,681
Unallocated production overheads	124,215	311,431
Revenue from sale of scrap	(3,987)	(2,771)
Loss on inventory obsolescence	217	26
Total	\$ 4,173,267	3,383,868

No inventory items were pledged as collateral for bank credit facilities.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

	Land	Land improvement	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:									
Balance at January 1, 2023	\$ 500,498	274,483	1,747,989	5,792,247	54,684	56,186	971,493	22,658	9,420,238
Additions	-	425	843	13,160	-	2,916	105,476	17,671	140,491
Disposals	-	-	(540)	(2,932)	(3)	(1,110)	(24)	-	(4,609)
Reclassification (note 1)	-	-	9,140	14,324	-	480	2,996	(28,494)	(1,554)
Effect of exchange rate changes	4,255	2,334	14,870	48,680	464	465	8,403	178	79,649
Balance at December 31, 2023	<u>\$ 504,753</u>	<u>277,242</u>	<u>1,772,302</u>	<u>5,865,479</u>	<u>55,145</u>	<u>58,937</u>	<u>1,088,344</u>	<u>12,013</u>	<u>9,634,215</u>
Balance at January 1, 2022	\$ 465,066	254,969	1,612,946	5,290,135	50,691	51,473	765,286	99,919	8,590,485
Additions	1,962	1,311	1,200	5,154	498	1,954	138,701	72,034	222,814
Disposals	-	-	-	(5,066)	(129)	(915)	(481)	-	(6,591)
Reclassification (note 2)	274	-	18,185	124,838	-	91	6,975	(152,762)	(2,399)
Effect of exchange rate changes	33,196	18,203	115,658	377,186	3,624	3,583	61,012	3,467	615,929
Balance at December 31, 2022	<u>\$ 500,498</u>	<u>274,483</u>	<u>1,747,989</u>	<u>5,792,247</u>	<u>54,684</u>	<u>56,186</u>	<u>971,493</u>	<u>22,658</u>	<u>9,420,238</u>
Depreciation and impairment loss:									
Balance at January 1, 2023	\$ -	115,634	404,795	1,514,951	38,853	43,158	347,676	-	2,465,067
Depreciation	-	18,677	63,749	251,301	1,960	4,848	131,813	-	472,348
Impairment loss	-	-	13,671	55,865	-	-	3,178	-	72,714
Disposals	-	-	(228)	(1,162)	(2)	(911)	(16)	-	(2,319)
Effect of exchange rate changes	-	1,008	3,544	13,205	332	357	3,135	-	21,581
Balance at December 31, 2023	<u>\$ -</u>	<u>135,319</u>	<u>485,531</u>	<u>1,834,160</u>	<u>41,143</u>	<u>47,452</u>	<u>485,786</u>	<u>-</u>	<u>3,029,391</u>
Balance at January 1, 2022	\$ -	90,750	318,660	1,187,197	34,225	35,036	224,361	-	1,890,229
Depreciation	-	17,631	60,718	236,348	2,174	6,244	103,004	-	426,119
Disposals	-	-	-	(3,058)	(77)	(740)	(290)	-	(4,165)
Effect of exchange rate changes	-	7,253	25,417	94,464	2,531	2,618	20,601	-	152,884
Balance at December 31, 2022	<u>\$ -</u>	<u>115,634</u>	<u>404,795</u>	<u>1,514,951</u>	<u>38,853</u>	<u>43,158</u>	<u>347,676</u>	<u>-</u>	<u>2,465,067</u>
Carrying amount:									
Balance at December 31, 2023	<u>\$ 504,753</u>	<u>141,923</u>	<u>1,286,771</u>	<u>4,031,319</u>	<u>14,002</u>	<u>11,485</u>	<u>602,558</u>	<u>12,013</u>	<u>6,604,824</u>
Balance at December 31, 2022	<u>\$ 500,498</u>	<u>158,849</u>	<u>1,343,194</u>	<u>4,277,296</u>	<u>15,831</u>	<u>13,028</u>	<u>623,817</u>	<u>22,658</u>	<u>6,955,171</u>

Note 1: Reclassification to expense-\$1,554.

Note 2: 1. Reclassification to expense-\$2,673.

2. Reclassification from prepayments for equipment-\$274.

Impairment Test:

- (i) As of December 31, 2023, the Group tested the impairment of its cash-generating unit of particle board manufacturing and sales due to the continuous losses generated from it.

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- (ii) The recoverable amount of a cash-generating unit is based on its value in use. Value in use is determined by discounting the future cash flows arising from the continued use of the unit. The value in use calculation is based on the following key assumptions:
- 1) The estimated cash flows of the Group are based on past experience, actual operating results and the remaining useful life of the equipment, and cash flows beyond the five year period are extrapolated using a zero growth rate.
 - 2) The Group estimated the pre-tax discount rate based on the weighted-average cost of capital. The discount rate as of December 31, 2023 was 5.95%.
- (iii) As of December 31, 2023, the Group estimated that the recoverable amount of the cash generating unit was lower than the carrying amount, resulting in the impairment loss of \$72,714 to be recognized as other gains and losses.

As of December 31, 2023 and 2022, the temporarily idle property, plant and equipment due to business adjustments amounted to \$38,515 and \$40,654, respectively. The recoverable amount of the cash generating unit was higher than the carrying amount in 2023. Therefore, no impairment loss was recognized.

Please refer to note 8 for the disclosure of assets pledged as collateral for long term and short term loans and electricity guarantee .

(f) Right-of-use assets

The movement of the right-of-use assets in 2023 and 2022 were as follows:

	Buildings	Transportation equipment	Total
Cost:			
Balance at January 1, 2023	\$ 4,270	32,068	36,338
Additions	1,983	13,210	15,193
Disposals (lease modification and early termination)	-	(8,146)	(8,146)
Effect of exchange rate changes	-	279	279
Balance at December 31, 2023	\$ 6,253	37,411	43,664
Balance at January 1, 2022	\$ 4,270	24,665	28,935
Additions	-	10,482	10,482
Disposals	-	(5,078)	(5,078)
Effect of exchange rate changes	-	1,999	1,999
Balance at December 31, 2022	\$ 4,270	32,068	36,338

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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	Buildings	Transportation equipment	Total
Accumulated depreciation:			
Balance at January 1, 2023	\$ 4,182	21,561	25,743
Depreciation for the year	997	12,669	13,666
Disposals (lease modification and early termination)	-	(6,279)	(6,279)
Effect of exchange rate changes	-	192	192
Balance at December 31, 2023	<u>\$ 5,179</u>	<u>28,143</u>	<u>33,322</u>
Balance at January 1, 2022	\$ 3,136	15,888	19,024
Depreciation for the year	1,046	9,424	10,470
Disposals	-	(5,078)	(5,078)
Effect of exchange rate changes	-	1,327	1,327
Balance at December 31, 2022	<u>\$ 4,182</u>	<u>21,561</u>	<u>25,743</u>
Carrying amount:			
Balance at December 31, 2023	<u>\$ 1,074</u>	<u>9,268</u>	<u>10,342</u>
Balance at December 31, 2022	<u>\$ 88</u>	<u>10,507</u>	<u>10,595</u>

(g) Intangible assets

The cost and amortization of the intangible assets of the Group in the years ended December 31, 2023 and 2022, were as follows:

	Software
Costs:	
Balance at January 1, 2023	\$ 65,535
Effect of exchange rate changes	557
Balance at December 31, 2023	<u>\$ 66,092</u>
Balance at January 1, 2022	\$ 60,789
Additions	402
Effect of exchange rate changes	4,344
Balance at December 31, 2022	<u>\$ 65,535</u>
Amortization:	
Balance at January 1, 2023	\$ 35,609
Amortization	6,458
Effect of exchange rate changes	311
Balance at December 31, 2023	<u>\$ 42,378</u>

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	Software
Balance at January 1, 2022	\$ 27,260
Amortization	6,132
Effect of exchange rate changes	2,217
Balance at December 31, 2022	<u><u>\$ 35,609</u></u>
Carrying amount:	
Balance at December 31, 2023	<u><u>\$ 23,714</u></u>
Balance at December 31, 2022	<u><u>\$ 29,926</u></u>

The amortization expenses recognized in consolidated statements of comprehensive income were as follows:

	2023	2022
Operating costs	<u><u>\$ 543</u></u>	<u><u>516</u></u>
Operating expenses	<u><u>\$ 5,915</u></u>	<u><u>5,616</u></u>

(h) Short-term loans

	December 31, 2023	December 31, 2022
Unsecured loans	\$ 42,066	79,298
Secured loans	898,759	550,610
Total	<u><u>\$ 940,825</u></u>	<u><u>629,908</u></u>
Unused credit lines	<u><u>\$ 471,747</u></u>	<u><u>1,007,645</u></u>
Interest rate (%)	<u><u>3.60~7.66</u></u>	<u><u>2.40~3.15</u></u>

Please refer to note 8 for the disclosure of assets pledged as collateral for loans.

Please refer to note 6(w) for the currency risk, interest rate risk and sensitivity analysis of the financial instruments of the Group.

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(i) Long-term loans

Details of conditions and payment terms of the Group's long-term loans were as follows:

	December 31, 2023		
	Interest rate (%)	Year of maturity	Amount
Unsecured loans	2.75	2024	\$ 10,820
Secured loans	5.88~7.36	2025~2027	5,399,719
			5,410,539
Less: syndicated loan participation fee			(10,450)
Less: current portion			(780,665)
Total			<u><u>\$ 4,619,424</u></u>
Unused credit lines			<u><u>\$ 611,000</u></u>

	December 31, 2022		
	Interest rate (%)	Year of maturity	Amount
Unsecured loans	2.75	2024	\$ 21,458
Secured loans	4.78~6.80	2025~2027	5,856,476
			5,877,934
Less: syndicated loan participation fee			(18,156)
Less: current portion			(437,315)
Total			<u><u>\$ 5,422,463</u></u>
Unused credit lines			<u><u>\$ 614,200</u></u>

(i) Loans proceeds

In 2023, the Group did not obtain any long-term loans ; in 2022, the Group obtained long-term loans amounting to \$5,162,598, with due dates in May 2025. Please refer to note 6(v) for the information of interest expense.

(ii) Collateral for loans

Please refer to note 8 for the disclosure of assets pledged as collateral for loans.

(iii) Loan contract

In May 2022, the Company entered into a joint credit agreement with Land Bank of Taiwan. The credit line is USD 195,000. During the term of this agreement, the Company shall calculate and maintain the financial ratios of financial liabilities, interest coverage multiples and tangible net worth in accordance with the annual consolidated financial statements audited by the accountants.

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Failure to comply with the financial ratios shall not constitute an immediate breach of this commitment, but shall be adjusted within the improvement period. If the financial ratios are met within the improvement period, or they are improved by conducting a cash capital increase, or entering into a loan agreement with its shareholders, or by any other means, after the improvement period ends, no event of default shall be deemed to have occurred.

Please refer to note 6(w) for the currency risk, interest rate risk and sensitivity analysis of the financial instruments of the Group.

(j) Bonds payable

(i) The details of the Company's bonds payable were as follow :

The 2017 first oversea unsecured convertible corporate bonds were fully redeemed on January 25, 2022 (maturity date).

The 2017 first domestic secured corporate bonds were fully redeemed on May 18, 2022 (maturity date).

	<u>2022</u>
Interest expenses — convertible corporate bonds	\$ 15,267
Interest expenses — straight bonds	<u>15,335</u>
Total	<u><u>\$ 30,602</u></u>

There were no interest expenses arising from the Company' s bonds in 2023.

Transaction costs of \$26,845 that relate to the issue of the aforementioned convertible bonds are allocated to the liability component and the derivatives component in proportion to their relative fair value, amounting to \$23,452 and \$3,393, respectively. Transaction costs allocated to the derivatives are recognized directly in profit or loss. Transaction costs allocated to the liability component are included in the initial carrying amount of the liability component and amortized using the effective interest method.

Transaction costs of \$22,482 that relate to the issue of the aforementioned straight bonds are amortized using the effective interest method.

(ii) Primary terms and conditions of issuing corporate bond payables are as follows:

1) 2017 first overseas unsecured convertible corporate bonds (the Bonds)

The issue of the first overseas unsecured convertible corporate bonds was approved by FSC with the approval document number Chin-Kuan-Cheng-Fa1050051022 on December 21, 2016. The issue date was January 25, 2017. The primary terms and conditions of the Bonds are as below.

- a) Principal amount: USD 42,600 thousand with the denomination of USD 200 thousand each
- b) Issue price: 100% of the principal amount of the Bonds

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- c) Coupon rate: 0%
- d) Duration: Five years, from January 25, 2017 to January 25, 2022.
- e) Trustee: The Bank of New York Mellon
- f) Redemption at maturity:

Unless the Bonds have been previously converted, redeemed, repurchased and cancelled as herein provided, the Company shall redeem the Bonds by US dollars at a redemption price equal to a gross yield of 0.2% per annum for principal amount of Bonds on maturity date (101.004% of the outstanding principal amount thereof on 25 January 2022).

- g) Redemption at the option of the bondholders:

The Bonds may be redeemed prior to the maturity date only as provided in following conditions:

- i) In the event that the shares of the Company cease to be listed or admitted for trading on the Taipei Exchange (the TPEX) , each bondholder shall have the right to require the Company to redeem such bondholder's Bonds in whole, or in part, at their early redemption amount. "Early redemption amount" of a Bond, for each U.S.\$200,000 principal amount of Bonds, is determined so that it represents for the holders of the Bonds a gross yield of 0.2% per annum, calculated on a semi-annual basis.
 - ii) If a change of control as defined in the Green River Final Offering Circular (Offering Circular) occurs, each bondholder shall have the right to require the Company to redeem such bondholder's Bonds in whole or in part at their early redemption amount.
 - iii) In the event that the bondholders exercise their aforementioned redemption rights on the options and the Company is required to redeem such bondholder's Bonds, redemption procedures in Offering Circular shall be applied. The Company will redeem the Bond by cash on the date of payment as defined in Offering Circular.
- h) Redemption at the option of the Company
 - i) At any time on or after the day falling 12 months after the issue date and at least 40 days prior to the maturity date, the Company may redeem the Bonds in whole or in part at their early redemption amount if the closing price of the shares (translated into U.S. dollars at the Prevailing Rate) for 20 out of 30 consecutive trading days, is at least 130 % of the conversion price (translated into U.S. dollars at the fixed exchange rate, USD 1 to NTD 31.514 based on the Taipei Forex Inc. Taiwan Dollar 11:00 fixing rated on January 18, 2017).

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- ii) Notwithstanding the foregoing, the Company may, at any time, redeem the Bonds in whole but not in part, at the early redemption amount if more than 90 % of the principal amount of the Bonds have already been converted or redeemed, repurchased and cancelled.
 - iii) The Company may redeem the Bonds in whole, but not in part, at their early redemption amount if the Company has become obliged to pay additional amounts (as defined in Offering Circular) as a result of any change in, or amendment to, the laws or regulations of Cayman Islands or the ROC (or any other jurisdiction in which the Company is then organized or resident for tax purposes). For each holder of the Bonds who elects that all not to be redeemed, upon the exercise of the non-redemption right, no additional amounts shall be payable on the payments due after the relevant date and, subject to certain conditions, such payments shall be made subject to deduction or withholding as required under applicable laws or regulations.
- i) Conversion to shares
- i) Conversion period :

Unless previously converted, redeemed or repurchased and cancelled, the Bonds may be converted into fully paid ordinary shares of par value of NT\$10 each of the Company (the "Shares") at the option of the bondholders at any time during the period from March 7, 2017 (41st calendar day after the issuance date) to January 15, 2022 (10th calendar day prior to maturity date) except during any closed period under the ROC law.
 - ii) Conversion price

The conversion price will initially be \$218 dollars per share which are 110.66% of the closing price of the shares on the TPEx on January 18, 2017. The conversion price of the Bonds will be adjusted in the circumstances and only to the extent provided in Offering Circular. The conversion price shall be subject to adjustment as formula in Offering Circular, which is an "antidilution adjustment". The conversion price was adjusted to \$174.3 and \$174.9 per share on October 15, 2021 (the ex-dividend date) and July 28, 2020 (the ex-dividend date), respectively.
 - iii) Number of shares issuable on conversion

The number of shares to be issued on conversion shall be the principal amount of the Bonds (translated into NT\$ at a fixed exchange rate of NT\$31.514 = U.S.\$1.00) divided by the conversion price. Fractions of shares shall not be issued on conversion, and the Company shall, upon conversion of the Bonds, pay cash in U.S. dollars a sum equal to such portion of the principal amount of the Bonds deposited for conversion as corresponds to any fraction of a Share not issued as aforesaid, with U.S.\$0.50 being rounded upwards to U.S.\$1.00.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) 2017 first domestic secured corporate bonds (the Straight Bonds)

The issuance of the first domestic secured corporate bonds was approved by TPEx with the approval document number Cheng-Kuei Chai 10600117641 on May 11, 2017. The issue date was May 18, 2017. The primary terms and conditions of the Straight Bonds are as below.

- a) Principal amount: \$3,300,000, with the denomination of \$1,000 thousand each
- b) Issue price: 100% of the principal amount of the Straight Bonds
- c) Coupon rate: 1.10% per annum
- d) Duration: Five years, from May 18, 2017 to May 18, 2022
- e) Trustee: CTBC Bank Co., Ltd
- f) Redemption at maturity: The Company shall redeem the Straight Bonds in the fifth years after the issuance date at par value.
- g) Interest paid: From the date of issuance of the Straight Bonds, the Straight Bonds pays interest annually on a simple interest basis; interest is paid for every unit with the denomination \$1,000, rounded to the nearest dollar. If the date of interest payment on the Straight Bonds is not a business day for local banks, then the interest will be paid on the day successive to the scheduled date without additional interest. If the interest is collected on a date later than the payment date, no additional interest will be paid to the debtors.

In addition, the Company has signed a joint syndicated guarantee agreement with four banks, including Bank of Taiwan, for the aforementioned Straight Bonds. The four banks jointly offer a guarantee for the repayments of the five-year secured corporate bonds. The total guarantee amount is \$3,336,300, including the principle, interests, and subordinated debts of the Straight Bonds. The guarantee duration covers five years from the issuance date of the Straight Bonds to the date of the principle and interest of the Straight Bonds are fully repaid. During the guarantee period, the Company shall maintain the following debt covenants:

- a) Tangible net worth (net worth, net of intangible assets) of the Company shall not be less than \$1,500,000.
- b) The debt service coverage ratio (DSCR) [(income before tax+ amortization+ depreciation+ interest expense)/interest expense] of the Company shall not be less than 4 times
- c) Debt ratio (total liabilities (include contingent liabilities)/tangible net worth) of the Company shall not exceed 300% °

The above ratios base on the annual consolidated financial reports audited by certified public accountant.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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During the periods of agreement, the Company shall pay an annual guarantee fee to the four banks. The guarantee fee paid was amortized in the year and recognized as financial costs. In 2023 and 2022, the Company recognized \$0 and \$14,464, respectively.

(k) Lease liabilities

	December 31, 2023	December 31, 2022
Current	<u>\$ 8,957</u>	<u>8,762</u>
Non-current	<u>\$ 238</u>	<u>807</u>

The amounts recognized in profit or loss were as follows:

	2023	2022
Interests on lease liabilities	<u>\$ 288</u>	<u>197</u>
Expenses relating to short-term leases	<u>\$ 5,055</u>	<u>8,217</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	2023	2022
Total cash flows from operating activities	\$ 5,343	8,414
Total cash flows from investing activities	13,773	10,999
Total cash outflow for leases	<u>\$ 19,116</u>	<u>19,413</u>

(i) Real estate leases

The Group leases buildings for its office space. The leases of office space typically run for a period of 2 years.

(ii) Other leases

The Group leases vehicles, with lease terms of 1 to 5 years.

(l) Employee benefits — defined benefit plans

The reconciliation between the present value of the defined benefit obligations and the fair value of plan assets for the Group was as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefits obligations	\$ 32,178	37,614
Fair value of plan assets	-	-
Net defined benefit liabilities	<u>\$ 32,178</u>	<u>37,614</u>

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Movements in present value of the defined benefit obligation

The movements in present value of the defined benefit obligation for the Group were as follows:

	<u>2023</u>	<u>2022</u>
Defined benefit obligation at January 1	\$ 37,614	34,524
Current service costs and interests	4,288	3,905
Remeasurements of the net defined benefit obligation		
— Actuarial gains and losses arising from changes in experience adjustments	(3,732)	1,586
— Actuarial gains and losses arising from changes in financial assumptions	(6,219)	(3,239)
Past service costs and the gains and losses on the settlement	-	(388)
Exchange differences on translation of foreign plans	312	2,485
Benefits paid	(85)	(1,259)
Defined benefit obligation at December 31	<u><u>\$ 32,178</u></u>	<u><u>37,614</u></u>

(ii) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group in 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current service costs	\$ 3,058	2,959
Net interest on the net defined benefit obligation	1,230	946
Past service cost and the gains and losses on the settlement	-	(388)
Administrative expenses	<u><u>\$ 4,288</u></u>	<u><u>3,517</u></u>

(iii) Remeasurements of the net defined benefit obligation recognized under other comprehensive income

The Group's remeasurements of the net defined benefit obligation recognized in other comprehensive income in 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Cumulative amount at January 1	\$ 1,419	(234)
Recognized gains during the period	9,951	1,653
Cumulative amount at December 31	<u><u>\$ 11,370</u></u>	<u><u>1,419</u></u>

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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(iv) Actuarial assumptions

The major actuarial assumptions used in calculating the present value of the defined benefit obligation as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Discount rate	3.16%	3.35%
Future salary growth rate	2.25%	3.75%

The Group does not expect to make any contributions to the defined benefit plans for the next annual reporting period.

The weighted-average duration of the defined benefit plans is 17 to 25 years.

(v) Sensitivity analysis for actuarial assumption

When calculating the present value of the defined benefit obligation, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligation.

As of December 31, 2023 and 2022, the effect of changes in the principle actuarial assumptions on the present value of the defined benefit obligation was as follows:

	Effect on defined benefit obligation	
	Increase of 0.25%	Decrease of 0.25%
At December 31, 2023		
Discount rate	(1,025)	1,075
Future salary fluctuation	1,082	(1,036)
At December 31, 2022		
Discount rate	(1,242)	1,303
Future salary fluctuation	1,294	(1,239)

The above sensitivity analysis is based on the effect of changes in a single assumption under the condition or that other assumptions remain constant. However, in practice, changes in one assumption may have cross effect in other assumptions simultaneously. The method used for sensitivity analysis and calculation of net pension liability is the same in each year.

The methods and assumptions used for the sensitivity analysis are the same as for the prior period.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(m) Income taxes

- (i) The Company and HM, a subsidiary of the Company, were incorporated in the Cayman Islands, and Samoa, respectively, where the corporate income taxes are exempted. The Company's subsidiaries in Thailand, including GP, GPT, GRW, GRP, TNR and TDICS, are subject to a maximum statutory corporate income tax rate of 20% under the tax regulations of Thailand in 2023 and 2022. However, certain operations of GP, GPT and TDICS, had been approved by the Board of Investment of Thailand for income tax exemption for the period from June 2016 to June 2024, June 2020 to June 2023 and September 2021 to September 2025, respectively.

The details of income tax expense (benefit) were as follows:

	2023	2022
Current tax expense (benefit)		
Current period	\$ 11,737	12,942
Adjust current tax of a prior period	(193)	981
	<u>11,544</u>	<u>13,923</u>
Deferred tax benefit		
The recognition and reversal of temporary differences	(26,663)	(99,036)
Income tax expense (benefit) from continuing operations	<u><u>\$ (15,119)</u></u>	<u><u>(85,113)</u></u>

In Thailand, where GP, GPT, GRW, GRP, TNR, and TDICS operate, no official approval is issued by the revenue department on completion of examination of the corporate income tax and the income tax have already been filed with the revenue department every year.

Reconciliation of income tax expense (benefit) and loss before income tax for 2023 and 2022 was as follows:

	2023	2022
Loss before income tax	<u><u>\$ (639,819)</u></u>	<u><u>(889,740)</u></u>
Income tax using the Company's domestic tax rate	\$ (62,737)	(86,320)
Tax incentives	(6,546)	-
Non-deductible expenses	18,465	3,195
Changes in deductible temporary difference and loss carry-forwards	24,155	(15,911)
The (overestimated) underestimated income tax expense in previous year	(193)	981
Tax withheld at source	<u>11,737</u>	<u>12,942</u>
Total	<u><u>\$ (15,119)</u></u>	<u><u>(85,113)</u></u>

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 123,443	56,161
Tax losses	149,750	71,180
	<u>\$ 273,193</u>	<u>127,341</u>

Based on the tax regulations in the respective jurisdictions where the subsidiaries are located, tax-losses incurred from the tax exempt business during the tax exemption period can be carried forward and deducted for income tax reporting purposes within five years after the expiry of the tax exemption period. Also, tax losses derived from non-tax exempt business can be carried forward and deducted for tax reporting purposes within five years after the year when the tax losses are incurred.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the temporary differences therefrom.

The Group filed or estimated its unused loss carry-forwards not recognized as deferred tax assets as of December 31, 2023 as follows:

Year of loss	Unused amount	Year of expiry
GP:		
2019	\$ 68,529	2024
GRW:		
2022	6,022	2027
2023	4,325	2028
GRP:		
2020	9,495	2025
2021	6,051	2026
2022	7,848	2027
2023	4,653	2028
TNR:		
2019	10,281	2024
2020	10,150	2025
2021	9,629	2026
2022	6,341	2027
2023	6,426	2028
	<u>\$ 149,750</u>	

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Losses carryforwards	Others	Total
Deferred tax assets:			
Balance at January 1, 2023	\$ 163,419	-	163,419
Recognized in profit (loss)	23,090	1,616	24,706
Effect of exchange rate changes	1,420	2	1,422
Balance at December 31, 2023	\$ 187,929	1,618	189,547
Balance at January 1, 2022	\$ 72,207	-	72,207
Recognized in profit (loss)	82,357	-	82,357
Effect of exchange rate changes	8,855	-	8,855
Balance at December 31, 2022	\$ 163,419	-	163,419

	Investment	Others	Total
Deferred tax liabilities			
Balance at January 1, 2023	\$ 3,808	-	3,808
Recognized in (profit) loss	(3,808)	1,851	(1,957)
Effect of exchange rate changes	-	3	3
Balance at December 31, 2023	\$ -	1,854	1,854
Balance at January 1, 2022	\$ 20,487	-	20,487
Recognized in (profit) loss	(16,679)	-	(16,679)
Balance at December 31, 2022	\$ 3,808	-	3,808

(n) Share capital and other equity

(i) Issuance of common stock

As of December 31, 2023 and 2022, the total authorized common stock each amounting to \$1,500,000, with a par value of \$10 (dollars) per share, had been divided into 150,000 thousand authorized common shares of stocks. As of December 31, 2023 and 2022, the issued shares were 100,767 thousand shares and 89,767 thousand shares, respectively.

Reconciliation of shares outstanding for 2023 and 2022 was as follows:

	Unit: Shares in thousands	
	2023	2022
Balance at January 1	89,767	89,767
Issued for cash	11,000	-
Balance at December 31	100,767	89,767

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Company issued 11,000 thousand new shares for cash, at a par value and an issuance price of \$10 and \$33 per share, respectively, amounting to \$363,000 (which had been fully received), with the base date set on December 25, 2023, based on the resolution approved during the board of directors meeting held on October 9, 2023, resulting in the difference of \$250,550 to be recognized as capital reserve after deducting the issuance cost of \$2,450 and share capital of \$110,000.

(ii) Capital reserve

The balance of capital reserve was as follows:

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 1,498,921	1,248,371
Treasury share transactions	3,400	3,400
	<u>\$ 1,502,321</u>	<u>1,251,771</u>

According to the Company's articles of incorporation, when the Company reports no accumulated loss, the Company may, in accordance with the proposal recommended by the Board, and approved by the shareholders by the sanction of a supermajority resolution, distribute new shares or cash arising out of the capital reserve and the 10% reserve set aside by the Company annually before 2015, in whole or in part, to its shareholders.

On August 18, 2022, the Board of Directors resolved to appropriate capital surplus of \$26,691 and distribute cash of NTD 0.30000001 per share.

(iii) Earning distribution

According to the Company's articles of incorporation, if there are profits, in making the profit distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules; and (iv) other reserves as determined by the Board for specific purposes. Thereafter, having considered the financial, business and operational factors, including the Company being in the growth stage while competing in a mature industry, its capital expenditure, future expansion projects and financial plans for long term development, the amount to be distributed as dividends shall not be less than ten per cent (10%) of remaining profits. After combining all or part of the accumulated undistributed profits in the previous years and the reversed special surplus reserve, the combined amount shall be allocated as dividends to the Members subject to the discretion of the Directors.

The Company may distribute profits in accordance with a proposal for profit distribution approved by, in the case of dividend to be paid in cash, a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors or, in the case of an issuance of new shares as bonus shares), Supermajority Resolution in the annual meeting. After the Board approves the distribution of dividend in cash, the Board shall report such distribution in the next annual general meeting.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on a semi-year basis. If the Board decides not to distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the first half of the financial year. When the Company makes the interim distribution, the Company shall (i) estimate and reserve all payable taxes and (ii) offset losses incurred in previous years. For the distribution of interim dividends, the proposal of surplus earning distribution or loss off-setting for the first half of the financial year, together with the business report and financial statements (which shall be audited or reviewed by a certified public accountant in accordance with the applicable public company rules), shall be submitted Audit committee for approval, and then, be submitted to the Board for approval.

Dividends shall be made by way of cash dividend only, or stock dividend only or a combination of cash dividend and stock dividend, provided however that, if the dividend is distributed by way of a combination of cash dividend and stock dividend, the cash dividend shall not be less than ten per cent (10%) of the total amount of dividend payable.

There were no earnings distribution for 2022 and 2021 based on the resolution made during the shareholders' meeting on June 21, 2023 and June 23, 2022, respectively.

The reversal of the special reserve and the special reserve of \$354,642 and \$657,454 were set aside based on the resolution approved during the shareholders' meeting on June 21, 2023, and June 23, 2022, respectively.

The earnings distribution information would be available on the Market Observation Post System.

(iv) Treasury shares

The movement for the shares repurchased by the Company was as follows

Unit: shares in thousands				
2023				
Reason of purchase	Beginning	Increase	Decrease	Ending
Transfer to employee	\$ 797	-	-	797

Unit: shares in thousands				
2022				
Reason of purchase	Beginning	Increase	Decrease	Ending
Transfer to employee	\$ 460	497	160	797

The Company repurchased 460 thousand shares from the period between January 14, 2019 and March 11, 2019, at an average price of \$98.15, totaling \$45,149, for transferring shares to its employee, based on the resolution made during the Board meeting held on January 11, 2019.

The Company transferred 160 thousand shares of treasury share to employees at a cost of \$15,720, based on the resolution made during the Board meeting held on January 17, 2022.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

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The Company repurchased 497 thousand shares from the period between June 16, 2022 and August 12, 2022, at an average price of \$49.26, totaling \$24,517, for transferring shares to its employee, based on the resolution made during the Board meeting held on June 14, 2022.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before being transferred.

(o) Share-based payment arrangement

(i) As of December 31, 2022, the Group had the following share-based payment arrangements:

	<u>Equity-settle</u>
	<u>Treasury share transferred to employees</u>
Grant date	January 17, 2022
Number of shares granted (thousand shares)	160
Exercise price (NT dollars)	\$81.75
Vesting Condition	Immediate

(ii) Cost

	<u>2022</u>
Treasury stock transferred to employees	<u>\$ 6,040</u>

There were no share-based payment transactions in 2023.

(p) Deficits per share

The calculation of basic and diluted deficits per share was as follows:

	<u>2023</u>	<u>2022</u>
Basic deficits per share:		
Net loss attributable to owners of parent	<u>\$ (622,442)</u>	<u>(787,309)</u>
Weighted-average number of common shares outstanding (thousand shares)	<u>89,181</u>	<u>89,224</u>
Basic deficits per share (New Taiwan dollars)	<u>\$ (6.98)</u>	<u>(8.82)</u>
Diluted deficits per share (New Taiwan dollars)	<u>\$ (6.98)</u>	<u>(8.82)</u>

For the years ended December 31, 2022, the Company did not include its convertible bonds in the calculation of its diluted deficits per share since those convertible bonds have antidilutive effect.

There were no outstanding potential ordinary shares in 2023.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Revenues from contracts with customers

(i) Details of revenue

	<u>2023</u>	<u>2022</u>
Main product:		
Particle board	\$ 4,279,447	3,506,815
Solid board	328,676	271,758
Resin	46,962	7,359
Less: sales allowance	(512)	(100)
	<u>\$ 4,654,573</u>	<u>3,785,832</u>

(ii) Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Trade receivables	\$ 302,582	151,553	524,609
Trade receivables-related parties	13,231	1,922	-
Less: loss allowance	-	(2,400)	(611)
Total	<u>\$ 315,813</u>	<u>151,075</u>	<u>523,998</u>
Contract liabilities	<u>\$ 31,893</u>	<u>24,529</u>	<u>39,209</u>

The amount of revenue recognized for the years ended December 31, 2023 and 2022 which was included in the contract liability balance at beginning of the period was \$20,970 and \$35,394, respectively.

(r) Compensation to employees and directors

In accordance with articles of association of the Company, the Company shall contribute no less than 0.1% to the pre-tax profit as employee compensation and no more than 3% of the pre-tax profit as directors compensation. However, if the Company has accumulated deficits in previous years, it shall reserve an amount of the pre-tax profit for offsetting the accumulated losses. The employee compensation shall be distributed in the form of stock or cash and may be distributed to employees of the Company's subsidiaries, if such employees satisfy certain qualifications as may be resolved by the Board from time to time.

For the years ended December 31, 2023 and 2022, the Company decided not to accrue for employee and directors' compensation due to the deficit incurred by the Company in 2023 and 2022.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES

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The Company accrued compensation to employees based on the Company's pre-tax profit excluding the compensation to employee and directors of each period, multiplied by the percentage of compensation to employee and directors as specified in the Company's articles of association. If compensation to employee is resolved to be distributed in stock, the number of shares is determined by dividing the amount of compensation by the closing price of the shares on the day preceding the board of directors' meeting. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized to issue, the differences are accounted for as a change in accounting estimated and adjusted prospectively to next year's profit or loss.

There was no difference between the amounts of employees compensation and directors compensation with the resolution of board of director's meeting and the amounts accrued in the consolidated financial statements for the years 2023 and 2022. The related information can be accessed from the Market Observation Post System website.

(s) Interest income

	2023	2022
Interest income from bank deposit	<u>\$ 8,104</u>	<u>2,154</u>

(t) Other income

	2023	2022
Others	<u>\$ 26,050</u>	<u>10,873</u>

(u) Other gains and losses

	2023	2022
Loss on disposal of property, plant and equipment	\$ (2,290)	(2,041)
Impairment loss	(72,714)	-
Net foreign exchange gain (loss)	43,351	(240,877)
Gain on lease modifications	4	-
Total	<u>\$ (31,649)</u>	<u>(242,918)</u>

(v) Finance cost

	2023	2022
Interest expense on loans from banks	\$ 445,100	206,701
Interest expense on lease liabilities	288	197
Corporate bond guarantee fee	-	14,464
Interest expense on corporate bonds	-	30,602
Total	<u>\$ 445,388</u>	<u>251,964</u>

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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(w) Financial instruments

(i) Credit risk

1) Risk exposure

The book value of financial assets represents the maximum risk exposure. The maximum risk exposure amounted to \$889,056 and \$748,574 as at December 31, 2023 and 2022, respectively.

2) Concentration of credit risk

The Group's accounts receivable are concentrated on the main customers, which accounted for 47% and 60% of the total amount of trade receivable as of December 31, 2023 and 2022, respectively. The Group controls the sales limit for each customer and also continuously monitors and evaluates each customer's credit status to lower the credit risk of trade receivables.

3) Credit risk of trade receivables and financial assets at amortised cost

Please refer to note 6(c) for information on credit risk of trade receivables. The Group's other receivable and financial assets at amortized cost are financial assets with low credit risk. Therefore those are measured by 12 month ECL for which credit risk and no significant expected credit losses were assessed.

(ii) Liquidity risk

The contractual maturity of the financial liabilities excluding the impact of estimated interest were as follows:

	Carrying amount	Contractual cash flows	Within 1 year	Beyond 1 year to 2 years	Beyond 2 years
December 31, 2023					
Non-derivative financial liabilities					
Short-term bank loans	\$ 940,825	940,825	940,825	-	-
Long-term bank loans	5,400,089	5,410,539	788,392	4,428,877	193,270
Lease liabilities	9,195	9,195	8,957	216	22
Accruals	420,062	420,062	420,062	-	-
Guarantee deposit(recorded under other current liabilities and other non-current liabilities)	2,876	2,876	1,523	-	1,353
	<u>\$ 6,773,047</u>	<u>6,783,497</u>	<u>2,159,759</u>	<u>4,429,093</u>	<u>194,645</u>

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>Beyond 1 year to 2 years</u>	<u>Beyond 2 years</u>
December 31, 2022					
Non-derivative financial liabilities					
Short-term bank loans	\$ 629,908	629,908	629,908	-	-
Long-term bank loans	5,859,778	5,877,934	445,021	790,786	4,642,127
Lease liabilities	9,569	9,569	8,762	657	150
Accruals	377,527	377,527	377,527	-	-
Guarantee deposit(recorded under other current liabilities and other non-current liabilities)	2,611	2,611	1,270	-	1,341
	<u>\$ 6,879,393</u>	<u>6,897,549</u>	<u>1,462,488</u>	<u>791,443</u>	<u>4,643,618</u>

As of December 31, 2023, the Group' s unused long-term and short-term credit lines amounted to \$1,082,747. In addition, the Group completed its refinancing agreement with the bank in February 2024, resulting in the total credit amount of its short-term loans to increase by \$189,357 (THB 210,000 thousand). Moreover, the Group had completed its capital increase by cash, with the amount of \$365,550 having been fully received in 2023. All of the above transactions have been assessed to be sufficient to meet the current portion of bank loans of the Group.

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022			
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount	
Financial assets							
Monetary items							
USD	\$	11,210	30.68	343,892	19,503	30.71	598,988
Financial liabilities							
Monetary items							
USD		166,847	30.56	5,098,155	177,668	30.72	5,457,123

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the fluctuation of foreign currency exchange rate on cash and cash equivalents, trade receivables, financial assets at amortized cost, long-term and short-term loans, as well as trade and other payables, which are all denominated in foreign currencies.

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A 5% strengthening of the NTD and THB against the USD as at December 31, 2023 and 2022, would have increased (decrease) net profit before tax for the years ended December 31, 2023 and 2022, by \$226,393 and \$231,340, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

3) Exchange gains and losses of monetary items

The exchange rate information on the foreign exchange gain and loss (including realized and unrealized) for the years ended December 31, 2023 and 2022, arising from the translation of the Group's monetary items into the subsidiary's functional currency of Thai Baht, and the parent company's functional currency, the New Taiwan dollar, which is also the Group's presentation currency, were as follows:

	2023		2022	
	Foreign exchange gains	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
NTD	\$ 16,109	1.00	(275,965)	1.00
THB	30,252	0.9005	41,015	0.8555

(iv) Interest rate analysis

The following sensitivity analysis is based on the exposure to interest rate risk for derivative and non-derivative financial instruments on the reporting date. For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year ended at the reporting date. The Group internally reported the increases / decreases in interest rates and the exposure to changes in interest rates of 1% to the Group's key management so as to allow key management to assess the reasonableness of the changes in interest rates.

If the interest rate had increased / decreased by 1%, the Group's net income before tax would have decreased / increased by \$63,514 and \$65,078 for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

(v) Fair value information - Categories and fair value of financial instruments

Since the Group's financial instruments included the financial assets and financial liabilities measured at amortized cost, whose carrying amount was approximately close to the fair value as of December 31, 2023 and 2022, the fair value information on financial instruments mentioned above and lease liability need not be disclosed.

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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(x) Financial risk management

(i) Overview

The Group is exposed to the following risks arising from financial instruments:

- 1) Credit risk.
- 2) Liquidity risk.
- 3) Market risk.

This note presents information about the Group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk. Please refer to other related notes for quantitative information throughout the financial report.

(ii) Risk management framework

The Group's management identifies and analyses the risks that the Group is exposed to on a regular basis. The control policies are implemented to ensure the effectiveness of risk control.

The management of the finance department monitors the risk exposure in accordance with the Group's policy in consideration of the financial risks which the Group is exposed to. The Group has no derivative financial instruments transactions for speculation purposes.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

1) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the credit characteristics of each customer. The management also considers the statistical information, such as the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The finance department and sales department have established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's credit review includes financial statement analysis, external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer and need to be approved according to the Group's authorization limit and reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

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The Group set the allowance for bad debt account to reflect estimated losses for trade and other receivables. The main components of this allowance are a specific loss assessed for individually significant exposures, and a collective loss assessed for groups of similar assets in respect of losses that have been incurred but not yet reported. The collective loss allowance is determined based on historical data of collection statistics for similar financial assets.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments is measured and monitored by the Group's finance department. Since the Group's counterparties are financial institutions with good credit standing, there is no significant default or credit risk.

3) Guarantee

Please refer to note 13 for the disclosure on guarantees.

(iv) Liquidity risk

Liquidity risk represents the risk due to possible inability of the Group to settle its contractual obligations on maturity. The management monitors the Group's bank borrowings (which is an important source of liquidity for the Group), and reviews the unused credit lines for both short-term and long-term loans. Please refer to notes 6(h) and (i) for more details of the Group's unused credit lines in 2023 and 2022.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchase and loan that are denominated in a currency other than the functional currencies of the Group's entities, primary NTD and THB. The currencies used in these transactions are the NTD, THB, USD and CNY.

The Group engages in order to manage market risks. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates when necessary to mitigate any short-term gap. All such transactions are carried out within the scope of the Group's internal control policy.

2) Interest rate risk

The Group's interest rate risk arises from financial liabilities which are short and long term loans. However, the impacts on those financial liabilities resulting from changes in interest rates are insignificant.

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(y) Capital management

The Group manages its ability to continue as a going concern in order to provide returns to its shareholders and to protect the interests of its relevant parties. The Group is also responsible for maintaining an optimal capital structure to reduce its cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, issue new shares, or dispose of assets to settle any liabilities.

The quantitative data used as a capital management tool in the relevant periods are summarized below:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 6,843,771	6,952,661
Less: cash an cash equivalents	(466,066)	(500,915)
Total liabilities	<u>\$ 6,377,705</u>	<u>6,451,746</u>
Total equity	<u>\$ 1,468,196</u>	<u>1,664,870</u>
Debt-to-equity ratio	<u>434.39%</u>	<u>387.52%</u>

(z) Investing and financing activities not affecting current cash flow

Reconciliation of liabilities arising from non-cash flow transactions on the financing activities of the Group were as follows:

	Non-cash changes						
	January 1, 2023	Cash flows	Discount amortization	Acquisition	Proceed	Foreign exchange movement	December 31, 2023
Short-term loans	\$ 629,908	305,647	-	-	-	5,270	940,825
Long-term loans	5,859,778	(450,545)	7,706	-	-	(16,850)	5,400,089
Lease liabilities	9,569	(13,773)	-	15,193	(1,871)	77	9,195
Total liabilities from financing activities	<u>\$ 6,499,255</u>	<u>(158,671)</u>	<u>7,706</u>	<u>15,193</u>	<u>(1,871)</u>	<u>(11,503)</u>	<u>6,350,109</u>

	Non-cash changes						
	January 1, 2022	Cash flows	Discount amortization	Acquisition	Foreign exchange movement		December 31, 2022
Short-term loans	\$ 498,080	74,671	-	-	57,157		629,908
Long-term loans	602,102	5,056,715	4,983	-	195,978		5,859,778
Lease liabilities	9,469	(10,999)	-	10,482	617		9,569
Bonds payables	4,474,407	(4,479,569)	5,162	-	-		-
Total liabilities from financing activities	<u>\$ 5,584,058</u>	<u>640,818</u>	<u>10,145</u>	<u>10,482</u>	<u>253,752</u>		<u>6,499,255</u>

GREEN RIVER HOLDING CO. LTD. AND SUBSIDIARIES
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(7) Related-party transactions

(a) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the The Group</u>
Key management personnel	The Group's key management
Mr. Jung-Hui, Hsieh	The Group's key management
TOA Dovechem Industries Co., Ltd	Other related parties - The Shareholder of the Group's subsidiary - TDICS

(b) Significant transactions with related parties

(i) Sales

	<u>2023</u>	<u>2022</u>
Other related parties	<u>\$ 45,362</u>	<u>3,653</u>

Sales prices and collection terms of product to related parties are not materially different from those non related customers.

(ii) Purchases

	<u>2023</u>	<u>2022</u>
Other related parties	<u>\$ 115,638</u>	<u>77,404</u>

Purchase prices and payment term of purchases from related parties are not material different from those of non-related suppliers.

(iii) Operating costs

The details of the Group's operating costs for technical service fees and consumables provided by the related party were as follows:

<u>Account</u>	<u>Relationship</u>	<u>2023</u>	<u>2022</u>
Operating costs	Other related parties	<u>\$ 6,522</u>	<u>6,971</u>

(iv) Receivables from Related Parties

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Trade receivable	Other related parties	\$ 13,231	1,922
Other receivable	Other related parties	150	-
Total		<u>\$ 13,381</u>	<u>1,922</u>

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(v) Payables to Related Parties

Account	Relationship	December 31, 2023	December 31, 2022
Trade payable	Other related parties	\$ 25,002	8,930
Other payable	Other related parties	769	1,952
Total		\$ 25,771	10,882

(vi) Guarantee

For the years ended December 31, 2023 and 2022, Mr. Jung-Hui, Hsieh provided credit guarantees to the Group for loans. The related party did not charge any rewards to the Group for the guarantees provided.

(c) Key management personnel compensation

	2023	2022
Short-term employee benefits	\$ 18,235	16,345
Share-based payments	-	3,058
Total	\$ 18,235	19,403

The Group provided cars with a cost of \$4,832 (approximately THB 5,359 thousand) and \$4,791 (approximately THB 5,359 thousand) for key management personnel use for the years ended December 31, 2023 and 2022.

(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Land (including land improvements)	For long-term and short-term loans and electricity guarantee	\$ 594,006	602,826
Buildings	For long-term and short-term loans and electricity guarantee	1,270,230	1,312,242
Machinery and equipment	For long-term and short-term loans and electricity guarantee	3,887,500	4,061,430
Other equipment	For long-term and short-term loans	318,728	336,135
Restricted deposits (recorded under non-current financial assets at amortized cost)	For long-term loans and electricity guarantee	96,954	93,037
		\$ 6,167,418	6,405,670

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(9) Commitments and contingencies:

(a) Guarantees provided by banks were as follows:

	December 31, 2023	December 31, 2022
Electricity guarantee	<u>\$ 43,563</u>	<u>34,318</u>

The Group pledged its assets to several banks as collaterals for the guarantees on electricity provided by them. Please refer to note 8 for details.

(b) Payments to be made in the future for the following transaction under the contractual agreements were as follows:

	December 31, 2023	December 31, 2022
Acquisition of property, plant and equipment	<u>\$ 7,034</u>	<u>15,652</u>

(c) The Group's outstanding letters of credit for assets imported were as follows:

	December 31, 2023	December 31, 2022
Outstanding letters of credit	<u>\$ 3,192</u>	<u>51,648</u>

(10) Losses Due to Major Disasters:None

(11) Significant Subsequent Events:None

(12) Other:

The nature of personnel costs, depreciation, depletion and amortization charged to operating cost and operating expense was as follows:

Function Account	2023			2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel costs						
Salaries	193,876	67,125	261,001	176,464	71,615	248,079
Health insurance	-	-	-	-	-	-
Pension	-	4,288	4,288	-	3,517	3,517
Directors compensations	-	3,050	3,050	-	1,400	1,400
Other personnel expense	26,532	11,620	38,152	22,782	11,279	34,061
Depreciation	473,666	12,348	486,014	422,937	13,652	436,589
Depletion	-	-	-	-	-	-
Amortization	543	5,915	6,458	516	5,616	6,132

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group in 2023:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	IS a related party	Maximum balance of financing to other parties during the period	Ending balance	Actual usage amount during the period (note 1)	Range of interest rates during the period	Nature of fund financing for the borrower (note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 3)	Maximum limit of fund financing (note 3)
													Item	Value		
1	HM	GP	Other receivables — related parties	Yes	568,071	568,071	568,071	2.14	2	-	For repayments of borrowings	-	-	-	3,435,854	5,153,780
1	HM	GP	Other receivables — related parties	Yes	793,496	572,580	572,580	2.03	2	-	For repayments of borrowings	-	-	-	3,435,854	5,153,780
1	HM	GPT	Other receivables — related parties	Yes	2,578,862	2,195,640	2,195,640	2.25	2	-	Payments for land, factory building and equipment	-	-	-	3,435,854	5,153,780
2	GP	TNR	Other receivables — related parties	Yes	109,557	-	-	2.05	2	-	For increase in working capital	-	-	-	686,102	686,102
2	GP	TNR	Other receivables — related parties	Yes	112,893	112,893	112,893	2.85	2	-	For increase in working capital	-	-	-	686,102	686,102
2	GP	The Company	Other receivables — related parties	Yes	117,221	117,221	-	1.68	2	-	For increase in working capital	-	-	-	1,715,256	2,572,884
3	GRW	GPT	Other receivables — related parties	Yes	36,068	-	-	2.00	2	-	For increase in working capital	-	-	-	109,513	164,270
3	GRW	GPT	Other receivables — related parties	Yes	90,170	90,170	90,170	3.40	2	-	For increase in working capital	-	-	-	109,513	164,270
3	GRW	TDICS	Other receivables — related parties	Yes	40,577	40,577	40,577	3.60	2	-	For increase in working capital	-	-	-	43,805	43,805

Note 1: Eliminated in the consolidated financial statements.

Note 2: The nature of financing is classified as follows:

1. business-related.
2. short-term financing

Note 3: 1. In accordance with the internal control policy of HM "Policy procedures for loaning of funds and management of Loans to Others (or the parent company or its directly or indirectly holds 100% of shares in its subsidiaries)", the maximum amount for the lending shall not exceed 40% (or 100%) of the net worth of HM in its latest financial report. Meanwhile, the total amount available for lending purposes shall not exceed 40% (or 150%) of the net worth of HM in its latest financial report.

2. In accordance with the internal control policy of GP "Policy procedures for loaning of funds and management of Loans to Others (or the parent company or its directly or indirectly holds 100% of shares in its subsidiaries)", the maximum amount for the lending shall not exceed 40% (or 100%) of the net worth of GP in its latest financial report. Meanwhile, the total amount available for lending purposes shall not exceed 40% (or 150%) of the net worth of GP in its latest financial report.

3. In accordance with the internal control policy of GRW "Policy procedures for loaning of funds and management of Loans to Others (or the parent company or its directly or indirectly holds 100% of shares in its subsidiaries)", the maximum amount for the lending shall not exceed 40% (or 100%) of the net worth of GRW in its latest financial report. Meanwhile, the total amount available for lending purposes shall not exceed 40% (or 150%) of the net worth of GRW in its latest financial report.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 2)	Maximum balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum limit for guarantees and endorsements (note 2)	Guarantee provided by parent company	Guarantee provided by subsidiaries	Guarantee for companies in China area
		Name	Relationship with the Company (note 1)										
0	The Company	TDICS	2	2,272,445	1,060,156	786,156	693,578	-	51.89%	4,544,890	Y	N	N
1	GP	GRW	4	6,003,397	257,030	257,030	76,645	-	14.98%	8,576,281	N	N	N
1	GP	The Company	3	6,003,397	6,046,423	5,668,848	5,048,702	2,568,468	330.50%	8,576,281	N	Y	N
1	GP	GPT	4	6,003,397	186,652	186,652	135,255	96,482	10.88%	8,576,281	N	N	N
2	GPT	GP	4	6,987,017	53,065	53,065	-	-	6.84%	7,763,353	N	N	N
2	GPT	The Company	3	6,987,017	6,046,423	5,668,848	5,048,702	2,787,419	730.21%	7,763,353	N	Y	N

Note 1: The relationship between guarantor and guarantee is as follows:

- 1) Ordinary business relationship.
- 2) A subsidiary whose common stock is more than 50% owned by the guarantors.
- 3) An investee whose common stock is more than 50% owned by the parent company and its subsidiary in agreeable.
- 4) The parent company owns, directly or indirectly via subsidiaries, more than 90% of the guarantor's common stock.

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- 5) A company in the same trade that is mutually guaranteed pursuant to the covenants of a construction contract upon contracting a project.
- 6) A company that is guaranteed proportionately according to the guarantors' ownership percentage due to co-investee by various investors.
- 7) The endorsements/guarantees that joint companies in the same industry provide among themselves and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other
- Note 2: 1) In accordance with the internal control policy "Policy and Procedures for Loaning of Funds and Making of Endorsement/Guarantees" of GRH, the aggregate endorsement/ guarantees amount and maximum amount permitted to any single entity shall not exceed 300% and 150%, respectively, of the net worth on the latest financial statements of GRH.
- 2) In accordance with the internal control policy "Policy and Procedures for Loaning of Funds and Making of Endorsement/Guarantees" of GP, the aggregate endorsement/ guarantees amount and maximum amount permitted to any single entity shall not exceed 500% and 350%, respectively, of the net worth on the latest financial statements of GP.
- 3) In accordance with the internal control policy "Policy and Procedures for Loaning of Funds and Making of Endorsement/Guarantees" of GPT, the aggregate endorsement/ guarantees amount and maximum amount permitted to any single entity shall not exceed 1,000% and 900%, respectively, of the net worth on the latest financial statements of GPT.

- (iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
TDICS	TOA	Other related parties	Purchases	115,638	16.44%	Paid within 60 days	-		(25,002)	69.85%	
TDICS	GP	Other related parties	Sales	(370,150)	(40.07)%	Paid within 15 days	-		9,246	37.08%	Note 2
TDICS	GPT	Other related parties	Sales	(507,155)	(54.90)%	Paid within 15 days	-		2,458	9.86%	Note 2
GP	TDICS	Other related parties	Purchases	370,150	22.92%	Paid within 15 days	-		(9,246)	11.87%	Note 2
GPT	TDICS	Other related parties	Purchases	507,155	37.47%	Paid within 15 days	-		(2,458)	3.17%	Note 2
GPT	GP	Other related parties	Sales	(242,727)	(11.08)%	Note 1	-		1,279	0.86%	Note 2
GP	GPT	Other related parties	Purchases	242,727	15.03%	Note 1	-		(1,279)	1.64%	Note 2

Note 1: The price was not material different from those of non-related suppliers, the payment term subjects to the funding management of the Group.

Note 2: The related party transaction had been eliminated in consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance (note 1 and 2)	Turnover rate	Overdue		Amounts received in subsequent period (notes3)	Allowance for bad debts
					Amount	Action taken		
GP	TNR	Other related parties	115,573	-	-		115,573	-
HM	GP	Other related parties	1,152,152	-	-		119,164	-
HM	GPT	Other related parties	2,203,896	-	-		-	-

Note 1: The above transaction accounts include loan receivables and accrued interest.

Note 2: The amount had been eliminated in the consolidated financial statements.

Note 3: As of March 13, 2024.

- (ix) Trading in derivative instruments: None

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(x) Business relationships and significant intercompany transactions:

No. (note 1)	Name of company	Name of counter-party	Nature of relationship (note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	GP	GPT	3	Operating revenue	57,981	Note 3	1.25%
1	GP	TNR	3	Other receivables	115,573	Note 3	1.39%
2	HM	GPT	3	Interest revenue	51,205	Note 3	1.10%
2	HM	GP	3	Other receivables	1,152,152	Note 3	13.86%
2	HM	GPT	3	Other receivables	2,203,896	Note 3	26.51%
3	GRP	GRW	3	Operating revenue	64,351	Note 3	1.38%
4	TDICS	GP	3	Operating revenue	370,150	Paid within 15 days	7.95%
4	TDICS	GPT	3	Operating revenue	507,155	Paid within 15 days	10.90%
5	GPT	GP	3	Operating revenue	242,727	Note 3	5.21%
6	GRW	GPT	3	Other receivables	91,463	Note 3	1.10%

Note 1: 1. 0 represents parent company.

2. 1 and thereafter represent subsidiary companies.

Note 2: 1. Parent company to subsidiary company.

2. Subsidiary company to parent company.

3. Subsidiary company to subsidiary company

Note 3: Sales price between parent company for the finished goods purchased from related-parties was similar to that the Group obtained from non-related suppliers. The payment term is subject to the funding control of the Group. There were no other customers for comparison for transaction other than sales.

Note 4: The account should be disclosed if the amount is over 1% of the total assets from the consolidated balance sheet and total operating revenue from the consolidated statement of comprehensive income.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Major businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee (note 1)	Share of profits/losses of investee (note 1)	Note (note 2)
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value (note 1)			
The Company	GP	Thailand	Manufacturing, processing and selling particle board	1,319,947	1,319,947	10,400	100.00%	1,715,256	(168,722)	(168,722)	Subsidiary
"	GRW	"	Manufacturing and selling parawood	157,073	157,073	1,000	100.00%	109,513	(THB(187,365)) (13,804)	(13,804)	"
"	GPT	"	Manufacturing and selling particle board	773,273	773,273	8,750	100.00%	833,019	(THB(15,329)) (126,084)	(129,537)	"
"	HM	Samoa	Investment activities	3,510,018	3,934,957	118,317	100.00%	3,435,854	(THB(140,015)) 86,134	86,134	"
GRW	GRP	Thailand	Purchasing raw materials for parawood business and rendering sawmill services	43,631	43,631	484	48.39%	(57,533)	(USD95,652) (11,292)	-	"
GRP	TNR	"	Manufacturing and selling parawood	(THB48,387) 54,102	(THB48,387) 54,102	600	100.00%	(THB(63,805)) (75,436)	(THB(12,540)) (6,428)	-	"
HM	TDICS	"	Manufacturing and selling resin	(THB60,000) 136,423	(THB60,000) 136,423	1,530	85.00%	(THB(83,659)) 82,696	(THB(7,138)) 23,800	-	"
				(USD151,295)	(USD151,295)			(THB91,712)	(THB26,430)		

Note 1: Investment gains (losses) have been recognized by the equity method based on the financial statements of the investee companies audited by auditors.

Note 2: The long-term investment and investment gain or loss have been eliminated in the preparation of the consolidated financial statements.

(c) Information on investment in mainland China: None

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(d) Major shareholders:

Shareholder' s Name	Shareholding	Shares	Percentage
Green Source Investments Ltd		36,612,348	36.33%
Mr. Jung-Hui, Hsieh.		7,369,032	7.31%
Prosperity Growth Limited		5,807,500	5.76%

Note: (1) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statements due to different calculations basis.

(2) If the aforementioned data contained shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor' s separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self-owned shares and trusted shares, as well as the shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

(14) Segment information:

(a) General information

The Group has the following reportable segments: (i) particle board, (ii) solid wood, (iii) resin and (iv) investment department. The particle board segment manufactures and sells particle boards. The solid segment manufactures and sells parawood. The resin segment manufactures and sells resin. The investment segment is in charge of the capital management. Therefore, the three segments are reported separately.

(b) Reportable segment profit or loss (including reportable segment revenue and expenses), segment assets, segment liabilities, and their measurement and reconciliation

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The corporate taxes and extraordinary gains or losses are managed on a group basis, and are not allocated to reportable segments. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is consistent with the report used by the chief operating decision maker.

The accounting policies of the operating segments are the same as described in note 4.

The Group treated inter-segment sales, and transfers as third-party transaction and are measured at market price.

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The segment information and reconciliation were as follows:

2023						
	Particle board	Solid wood	Resin	Investment	Adjustments and eliminations	Consolidated
Segment revenue:						
Revenue from external customers	\$ 4,279,433	328,675	46,465	-	-	4,654,573
Inter-segment revenue	-	15,296	877,304	-	(892,600)	-
Total revenue	<u>\$ 4,279,433</u>	<u>343,971</u>	<u>923,769</u>	<u>-</u>	<u>(892,600)</u>	<u>4,654,573</u>
Interest expense	<u>\$ 96,263</u>	<u>3,866</u>	<u>37,338</u>	<u>391,113</u>	<u>(83,192)</u>	<u>445,388</u>
Depreciation and amortization	<u>\$ 457,133</u>	<u>5,519</u>	<u>28,778</u>	<u>1,042</u>	<u>-</u>	<u>492,472</u>
Segment's profit or loss	<u>\$ (323,241)</u>	<u>(19,824)</u>	<u>29,381</u>	<u>(322,682)</u>	<u>(3,453)</u>	<u>(639,819)</u>
Segment's assets	<u>\$ 6,927,410</u>	<u>328,801</u>	<u>880,039</u>	<u>3,834,919</u>	<u>(3,659,202)</u>	<u>8,311,967</u>
Segment's liabilities	<u>\$ 4,435,818</u>	<u>280,648</u>	<u>782,750</u>	<u>5,060,441</u>	<u>(3,715,886)</u>	<u>6,843,771</u>

2022						
	Particle board	Solid wood	Resin	Investment	Adjustments and eliminations	Consolidated
Segment revenue:						
Revenue from external customers	\$ 3,506,715	271,758	7,359	-	-	3,785,832
Inter-segment revenue	-	16,670	751,029	-	(767,699)	-
Total revenue	<u>\$ 3,506,715</u>	<u>288,428</u>	<u>758,388</u>	<u>-</u>	<u>(767,699)</u>	<u>3,785,832</u>
Interest expense	<u>\$ 91,535</u>	<u>2,058</u>	<u>29,732</u>	<u>218,522</u>	<u>(89,883)</u>	<u>251,964</u>
Depreciation and amortization	<u>\$ 407,380</u>	<u>7,432</u>	<u>26,827</u>	<u>1,082</u>	<u>-</u>	<u>442,721</u>
Segment's profit or loss	<u>\$ (326,003)</u>	<u>(19,645)</u>	<u>(85,952)</u>	<u>(454,687)</u>	<u>(3,453)</u>	<u>(889,740)</u>
Segment's assets	<u>\$ 7,210,473</u>	<u>264,325</u>	<u>997,735</u>	<u>4,085,222</u>	<u>(3,940,224)</u>	<u>8,617,531</u>
Segment's liabilities	<u>\$ 4,455,058</u>	<u>198,444</u>	<u>925,532</u>	<u>5,373,988</u>	<u>(4,000,361)</u>	<u>6,952,661</u>

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Revenue from external customers:

Region	2023	2022
Malaysia	\$ 1,419,908	1,244,555
Korea	966,715	1,011,791
China	1,343,743	535,589
Vietnam	381,942	480,249
Indonesia	109,484	281,559
Others	432,781	232,089
	<u>\$ 4,654,573</u>	<u>3,785,832</u>

Non-current assets:

Region	December 31, 2023	December 31, 2022
Thailand	\$ 6,640,398	6,995,932
Others	1,254	200
	\$ 6,641,652	6,996,132

Non-current assets include property, plant and equipment, intangible assets, right-of-use assets, and other assets, excluding financial instruments and deferred tax assets.

(d) Information on major customers

	2023	2022 (note)
A customer	\$ 579,327	-

Note: none of the revenue from a single customer exceeded 10% of the Group's consolidated operating income, thus, the information need not to be disclosed.

5. Company Individual Financial Statements audited by an independent auditor for the most recent year

Not applicable.

6. Any financial distress experienced by the Company or its affiliates and impacts on the Company's financial status in the most recent fiscal year and up to the printing date of the Annual Report

None.

VII. Review and Analysis of Financial Status and Financial Performance and Risk Management

1. Financial Status

Financial Status Comparison and Analysis Table

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2022	2023	Difference	
			Amount	Ratio (%)
Current Assets	1,363,193	1,381,998	18,805	1.38
Property, Plants, and Equipment	6,955,171	6,604,824	(350,347)	(5.04)
Right-of-Use Assets	10,595	10,342	(253)	(2.39)
Intangible Assets	29,926	23,714	(6,212)	(20.76)
Other Assets	258,646	291,089	32,443	12.54
Total Assets	8,617,531	8,311,967	(305,564)	(3.55)
Current Liabilities	1,486,628	2,188,724	702,096	47.23
Non-Current Liabilities	5,466,033	4,655,047	(810,986)	(14.84)
Total Liabilities	6,952,661	6,843,771	(108,890)	(1.57)
Common stock	897,669	1,007,669	110,000	12.25
Capital Reserve	1,251,771	1,502,321	250,550	20.02
Retained Earnings	(83,304)	(696,127)	(612,823)	735.65
Other Equity	(302,812)	(244,906)	57,906	(19.12)
Treasury Shares	(53,993)	(53,993)	—	—
Non-controlling Interest	(44,461)	(46,768)	(2,307)	5.19
Total Equity	1,664,870	1,468,196	(196,674)	(11.81)
Explanation for Items of Major Change: (where the change before and after the period reaches above 20%, and the change amount reaches NT\$ 10 million) (1) The increase of current liabilities was mainly due to the company's short-term financing for operational turnover needs and the reclassification of long-term loans due within one year to current liabilities. (2) The increase of capital reserve was mainly due to the issue of shares at a premium from the cash capital increase. ° (3) The decrease of retained earnings was mainly due to the net loss after tax for the current.				

2. Financial Performance

Financial Performance Comparison Analysis Table

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2022	2023	Difference	
			Amount	Percentage
Operating Revenue	3,785,832	4,654,573	868,741	22.95
Operating Cost	3,383,868	4,173,267	789,399	23.33
Gross Profit from operations	401,964	481,306	79,342	19.74
Operating Expenses	809,849	678,242	(131,607)	(16.25)
Net Operating Loss	(407,885)	(196,936)	210,949	(51.72)
Non-operating Income and Expense	(481,855)	(442,883)	38,972	(8.09)
Loss From Continuing Operations Before Tax	(889,740)	(639,819)	249,921	(28.09)
Income Tax Income	(85,113)	(15,119)	69,994	(82.24)
Consolidated Total Net Loss	(804,627)	(624,700)	179,927	(22.36)
Net Loss Attributable to Owners of Parent	(787,309)	(622,442)	164,867	(20.94)
Explanation for Items of Major Change: (where the change before and after the period reaches above 20%, and the change amount reaches NT\$ 10 million)				
(1)The increased of Operating Revenue and Operating Cost and the decreased of Net Operating Loss, Loss From Continuing Operations Before Tax, Consolidated Total Net Loss and Net Loss Attributable to Owners of Parent which was mainly due to in 2022 and the beginning of 2023, there has been no significant growth in orders from the U.S. market. As a result, the Company's orders from Vietnam and Indonesia, the primary furniture exporters to the United States, have decreased. Additionally, the quotations for particle boards in Southeast Asia remain relatively low, leading to the Company's loss. As the global economy rebounds since 2023 Q2, the sales volume grows; with the decrease in freight rates, the operating revenue and COGS increased, and the net operating loss, loss from continuing operations before tax, consolidated total net loss, and net loss attributable to owners of parent decreased.				
(2)The decrease of Income Tax Income was mainly due to the decline in operating losses in 2023 compared to 2022, resulting in a decrease in the generated income tax benefits.				

Expected Sales Quantity and Basis Thereof, and the Possible Impact on the Future Financial Business of the Company and Responsive Plan

The sales forecast value for 2024 of the Company is made based on the recent order status of the Company and is established according to the factors of the market demand and industry development trend, etc., and the sales target is established according to the production capacity scale of the Company. In recent years, our company has recognized a growing demand in the Chinese market for high-end products such as E0, P2, and formaldehyde-free boards (NAF). Consequently, we are intensifying the research and development of these products and enhancing production efficiency starting from the second half of 2023 to elevate the sales proportion of high-

end products. With the gradual elimination of various negative factors, we are committed to staying attuned to market trends, refining production and marketing strategies, pursuing further enhancements in multiple areas, and adapting our business strategies with agility. The sales volume in 2024 is expected to gain over 2023.

3. Cash Flow

(1) Analysis of Cash Flow Change for the Most Recent Year

Unit: In Thousands of New Taiwan Dollars

Item \ Year	2022	2023	Difference	
			Amount	Percentage
Net Cash Flows Used in Operating Activities	(184,378)	(67,359)	117,019	(63.47)
Net Cash Flows From (Used in) Investing Activities	(295,687)	(177,545)	118,142	(39.96)
Net Cash Flows From (Used in) Financing Activities	603,546	201,879	(401,667)	(66.55)
Effect of Exchange Rate Change on Cash and Cash Equivalents	32,621	8,176	(24,445)	(74.94)
Net Increase (Decrease) in Cash and Cash Equivalents	156,102	(34,849)	(190,951)	(122.32)
A.Operating Activities: The decrease of net cash used in operating activities was mainly due to in 2022 and the beginning of 2023, there has been no significant growth in orders from the U.S. market. As a result, the Company's orders from Vietnam and Indonesia, the primary furniture exporters to the United States, have decreased. Additionally, the quotations for particle boards in Southeast Asia remain relatively low, leading to the Company's loss. As the global economy rebounds since 2023 Q2, the sales volume grows, with the decrease in freight rates, the net loss, and the net cash flows used in operating activities reduced. B.Investing Activities: The decrease of net cash used in investing activities was mainly because there have been no significant capital expenditures since the completion and opening of the adhesive factory in October 2021, and recent investment activities have been routine maintenance expenditures, resulting in a decrease in net cash outflow from investing activities. C.Financial Activities: The decrease of net cash inflow from financing activities was mainly due to the Company has cooperated a syndicated loan of US\$195 million and cash capital increase of NT\$363,000 thousand in 2022 and 2023, respectively to fully repay the short-term and long-term loan, the Secured Corporate Bonds and for daily operations, therefore the net amount of liabilities has decrease in 2023 compared with 2022.				

(2) Improvement Plan for Insufficient Liquidity:

In recent years, our company has recognized a growing demand in the Chinese market for high-end products such as E0, P2, and formaldehyde-free boards (NAF). Consequently, we are intensifying the research and development of these products and enhancing production efficiency starting from the second half of 2023 to elevate the sales proportion of high-end products. With the gradual elimination of various negative factors, we are committed to staying attuned to market trends, refining production and marketing strategies, pursuing further enhancements in multiple areas, and adapting our business strategies with agility for operation stableness. The company received a cash capital increase of NT 363,000 thousand

dollars in December 2023 to repay bank borrowings. This will reduce interest expenses and enhance the flexibility of capital allocation, and reducing operational risks. The Company's profitability has rebounded. Furthermore, until the end of 2023, NT 1,082,747 thousand dollars of unused short-term and long-term borrowings can be used for rollover. With the continuous turnover of later operating inflows, there is no doubt about short-term solvency, and it can also reduce the impact of insufficient liquidity.

(3) Cash Liquidity Analysis for the Next Year

Unit: In Thousands of New Taiwan Dollars

Cash Balance at the Beginning of the Year	Annual Net Cash Flows from Operating Activities	Annual Net Cash Used In Investing Activities	Annual Net Cash Flows from Financing Activities	Cash Surplus (Deficit) Amount	Remedy for Cash Deficit	
					Investment Plan	Financing Plan
466,066	473,185	(11,930)	(825,179)	102,142	—	—
A. Operating Activities:	The company has increased its research and development capabilities and production efficiency for formaldehyde-free boards and other products since the second half of 2023. The goal is to boost the sales of high-end products and expand its market share in China to increase profitability. Simultaneously, the company is expecting a gradual recovery in market demand due to the shifting of the furniture industry chain in the Sino-US trade war and the reduction of U.S. furniture inventories over the past year and a half. Additionally, in the fourth quarter of 2023, the subsidiary - TDICS, the resin factory, secured increased sales orders outside the group through strategic partners, which is projected to contribute to the revenue growth in 2024.					
B. Investing Activities:	The net cash used in investment activities is mainly expected for a few equipment renewals.					
C. Financing Activities:	The net cash used in financing activities is mainly due to the company's syndicated loan, sponsored by the Land Bank of Taiwan, began to repay the principal every quarter in May 2023. It is expected that a total of US\$ 21,652 thousand (approximately NT\$ 700,588 thousand) will need to be repaid this year. The other long-term borrowings of the subsidiary are expected to repay Thai Baht 140,760 thousand (approximately NT\$ \$124,591 thousand) this year as agreed.					

4. Impacts on Financial Operations of any Major Capital Expenditures for the Most Recent Fiscal Year

None.

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

(1) Investment Policy of the Company

The current investment policy of the Company focuses on the investment subject matters related to the core business of the Company, and not investing in other businesses. The relevant executing department follows the regulations of the "Investment Cycle" and "Policies and Procedures for Acquisition or Disposal of Assets", etc. of the internal control

system. The aforementioned policies and procedures have been approved through the discussion of the Board of Directors meeting and shareholders meeting.

(2) Main Cause of Profits or Losses of Investments in the Last Year, Improvement Plans, and Investment Plans for the Coming Year

Unit: In Thousands of New Taiwan Dollars

Invested Business Entity Name	Profit or Loss (2023)	Main Cause of Profit or Loss	Improvement Plan	Future Other Investment Plan
GP	(168,722)	In 2022 and the beginning of 2023, there has been no significant growth in orders from the U.S. market. As a result, the Company's orders from Vietnam and Indonesia, the primary furniture exporters to the United States, have decreased. Additionally, the quotations for particle boards in Southeast Asia remain relatively low, hindering the Company's ability to generate profit.	In recent years, our company has recognized a growing demand in the Chinese market for high-end products such as E0, P2, and formaldehyde-free boards (NAF). Consequently, we are intensifying the research and development of these products and enhancing production efficiency starting from the second half of 2023 to elevate the sales proportion of high-end products and to increase profitability. With the gradual elimination of various negative factors, we are committed to staying attuned to market trends, refining production and marketing strategies, pursuing further enhancements in multiple areas, and adapting our business strategies with agility.	Presently, there is no specific investment plan.
GPT	(126,084)			
HM	86,134	Interest income from investment business, and group capital allocation.	None	
TDICS	23,800	Dropped cost of raw materials, resulting in increased unit operating income.	None	
GRW	(13,804)	Market price fluctuations and recognized investment loss from the equity method investee company's net loss.	Continue to monitor the market trend. Enhance the responsivity of sales strategy	
GRP	(11,292)			
TNR	(6,428)			

6. Analysis and Assessment on Risk Matters for the Most Recent Year and up to the Printing Date of the Annual Report

(1) Impact of Interest Rate, Exchange Rate Fluctuation, and Inflation Conditions on the Profit/Loss of the Company and Future Countermeasures:

A. Interest Rate:

The Company's main source of interest income is bank deposit interest, and interest expenses mainly refer to interest expenses incurred due to bank loans. The Company's interest income for 2022 and 2023 is NT\$2,154 thousand and NT\$8,104 thousand respectively, accounting for the ratio of net loss before tax for .(0.24) % and (1.27)%. In addition, the interest expenses incurred due to the bank loans for the same period are NT\$237,303 thousand and NT\$445,100 thousand respectively, accounting for the ratio of net income loss before taxes for 26.67% and 69.57%. The bank loans of the Company mostly adopt the floating interest rate for the calculation of interest; therefore, the change of interest rate can have an impact on the interest expenses of the Company.

Countermeasures:

The Group's main borrowings is from the syndicated loan of US\$175 million sponsored by the Land Bank of Taiwan and other banks to fully repay the short-term loan and the Secured Corporate Bonds. The interest rate of this syndicated loan is based on a TAIFX3 basis. Although TAIFX3 is also a floating interest rate, there is a specified interest rate reduction clause in this syndicated loan used to reward the company for achieving the target of optimizing company management, and then the interest rate can be gradually decreased to reduce the company's interest rate risk. In addition, the company always has a good and long-term relationship with its correspondent banks; therefore its credibility is outstanding. It could have the Company obtained much better loan interest rates.

B. Exchange Rate:

Presently, the main operating region of the Company is in the southern region of Thailand, and the export percentage accounts for more than 96% of the total revenue in the last three years. The main export regions include Malaysia, China, and Korea, and the main transaction currency is in USD. In addition, raw materials are mainly purchased from suppliers in the region of Thailand, and the main transaction currency is in THB. The profit (loss) on foreign exchange of the Company for the years of 2021, 2022, and 2023 are NT\$125,646 thousand, NT\$(240,877) thousand, and NT\$43,351 thousand respectively, accounting for net income (loss) before taxes for each year of 30.73%, 27.07 %, and (6.78)% respectively.

In addition, the syndicated loan with the Land Bank of Taiwan in May 2022 was denominated in US dollars, which resulted in exchange rate fluctuation risks.. Furthermore, the Company may issue dividends in NTD to domestic investors in the future or may obtain NTD from domestic financing. The exchange rate change risk is possibly generated for the exchange between NTD to THB or to USD.

Countermeasures:

- (a).Maintaining a sufficient level of foreign currency reserve based on the determination of financial personnel on the predicted exchange rate in order to provide for subsidiaries' operating activities and to reduce the impact on adverse exchange rate fluctuations to the net income of the Company.
- (b).Maintain close contacts with corresponding banks in order to monitor the foreign exchange market changes at all times, thereby facilitating the financial manager to sufficiently understand the exchange rate change direction and to cope with sudden market circumstances.
- (c).In recent years, the exchange rate of the Thai Baht (THB) has fluctuated, leading to an increased exchange rate change risk. As a result, the company has opted to use the Chinese Yuan (RMB) or Malaysian Ringgit (RM) for quotations to selected customers. This decision aims to not only reduce exchange rate risks but also to increase customers' willingness to make purchases by alleviating concerns about fluctuations in the USD exchange rate.

C. Inflation:

The gain/loss of the Company in the past has not been greatly affected by inflation. In the case of inflation such that the purchase cost is increased, the Company will also appropriately adjust the sales price; therefore, inflation will not have major impacts on the Company. In addition, the Company also regularly or irregularly reviews the economic data and reports of the government and research institutions in order to review and collect relevant information to provide references for decision making.

- (2) Policies on Engaging in High Risk, High Leverage Investments, Loaning Funds to Others, Endorsement and Guarantee, as well as Derivative Transactions, Main Causes of Profit and Loss, as well as Future Countermeasures:

The Company focuses on the operation of its core business based on the principle of stability and a practical business philosophy. Presently, the Company does not engage in high risk, high leverage investments, and does not provide any loaning of funds or endorsement/guarantee to parties outside the Group. In addition, to control financial transaction risk, the Company has established the "Policies and Procedures for Loaning of Funds and Making of Endorsements/Guarantees Regulations for Loaning of Funds and Making Endorsements/Guarantees" according to relevant laws in order to provide guidance for the execution of relevant business in the future. In the future, where there is a need to perform forward exchange transaction due to the aversion of exchange rate risk, the Company has also established the "Regulations for Acquisition and Disposal of Assets" for compliance, in which it explicitly specifies the transaction handling procedures for the execution of derivatives in order to be used as a risk control basis during hedging operations.

- (3) Future R&D Projects and Expected Investment in R&D Budget:

There is no specific R&D plan, but the Company continuously improves and adjusts machinery, formula and production process. Under the condition of stable production capacity and quality, the Company performs research and development of manufacturing process technologies, develops and uses low formaldehyde resin in order to reduce the

hazard of formaldehyde to the environment, thereby making life healthier, and improving the waterproof and mechanical properties of boards significantly. As PB production technology has been applied in fields internationally for a long time, the production technology is relatively mature, and products are mostly at the mass production stage. However, since different manufacturers have different skills in handling the technology, there are still great differences in the stability of PB product quality. The core technology of the Company mainly relies on the control of the indices of the manufacturing quality of resin, PB formaldehyde emission amount, dimension stability, cross-section density, water absorption swelling rate, etc., and the improvement and application aspects of new technologies of the production line equipment, electrical equipment, etc. In addition, the technology equipped with production performance and environmental friendliness is the direction sought by the Company. To recruit a professional technical team for assistance in order to expedite the upgrade of the PB products, thereby continuously increasing the competitiveness of the Group. In 2023, the total expenditure of R&D amounted to NT\$ 19,686 thousand. The Company's annual average spending on R&D related expenses is approximately NT\$ 19,000 thousand. The estimated R&D expenditure in 2024 will be close to the average expenditure.

(4) Impacts of Domestic/Foreign Important Policies and Changes to Laws on the Financial Business of the Company and Countermeasures:

The registration country of the Company is the Cayman Islands, and the main operating country is Thailand. The Cayman Islands is mainly used for the economic activities with financial services, and Thailand is one of the main economies in Southeast Asia. Except for the investment restriction on foreigners, the products manufactured and sold by the Company do not belong to special permission or restricted business, and the execution of all businesses of the Company have been handled according to the local important policies and laws. In addition, the Company also pays attention to domestic and foreign important policy development trends and legal change status at all time. In the case of any occurrence of change, the Company consults with relevant units of attorneys and CPAs, etc. or entrusts them to perform evaluation and to plan countermeasures. For the most recent year and up to the printing date of the Annual Report, the Company has not been subject to major events affecting the financial business due to the change of important laws in the Cayman Islands or Thailand, etc.

(5) Impacts of Changes in Technology (including Cyber Security Risk) and Industry on the Financial Business of the Company and Countermeasures:

The Company periodically pays attention to the change of relevant industries for the businesses of the Company, in order to understand the latest market trends, and evaluates the impact of any changes on the operation of the Company. For the most recent year and up to the printing date of the Annual Report, the Company has not been subject to any events having major impacts on the financial business of the Company due to major technology changes or industrial changes.

Cyber Security Risk

To control or maintain important corporate operating functions, including operation and accounting, etc. functions, of the Company, the Company relies on a network system. However, the network system may be subject to network attack such that confidential information of the Company may be stolen, such as exclusive information of customers or other stakeholders, as well as personal information of employees. Malicious hackers may also try to introduce computer viruses, destructive software, or ransomware into the Company's network system, interfering with the operation of the Company in order to regain control rights of the computer system such that it may perform ransom or steal confidential information from the Company.

Countermeasures:

- A. The Company's IT department, under the Administration and Management Division, and appointed the Cyber security manager, the IT department periodically checks the information security of the Company, which is led by the IT department head. The IT department audits the computer cycle-information security annually and reports the audit results to the Audit Committee and Board of Directors.
- B. The company has established the Information Security Policy. It established by the Company's IT department which includes (a) Data redundancy, (b) Data storage, (c) System security, (d) level of risk, e. authorization and f. regulations of the system and email usage. The Company announces the policy on the intranet in order to allow all employees to access and to comply. The IT department periodically evaluate the information security in compliance with the policy and reports information security in compliance with the policy and reports to the CEO.
- C. Perform major updates of systems irregularly. In the case of major information security risks, the announcement is made, and corresponding measures are adopted. Arrange information security courses every year for training an employee to identify fishing emails. The system is protected by password, and the authentication scheme is Single sign-on which is easy to maintain and manage.
- D. To strengthen network security, cope with the popularity of the Internet of Things and the information security issues associated. Reduce hazards caused by viruses, worms, and other network attacks, adopt various security preventive measures and update periodically, including the technologies of firewalls, intrusion detection systems, anti-virus software, etc., in order to respond to and reduce harm caused by various network attacks in a timely manner.
- E. The information system infrastructure has been established with host machine redundancy and remote data backup mechanisms of high availability in order to ensure uninterrupted service. Daily perform network operating environment detection and regular data backup and store the backup at a remote site for preservation. Enhance various simulation tests of the machine room and emergency drills in order to ensure the normal operation of information system and data security, thereby reducing system interruption risks caused by unexpected natural disasters and human errors, such that the expected system recovery target time can be satisfied. In the future, the Company will perform upgrade on selected systems for system infrastructure, expansion flexibility and

disaster recovery, information security, etc. According to the risk level, design is planned and appropriate software/hardware equipment is upgraded. In addition, the storage space of remote data backup is evaluated.

- F. The specific managing measurements are as follows: (a) In 2023, the IT department sent at least five newsletters or notifications to all employees, reminding employees to be alert to any abnormal letters and immediately notify IT personnel. (b) The Cyber security manager also arranges information security internal training courses for the IT personnel. In addition, updates and exchanges of the latest information on cyber security from related manufacturers at any time. Two internal trainings for information security were held in 2023. (c) The setting of accounts and related authorities must be approved in advance. (d) An audit for computer system cycle-cyber security was performed in July 2023.

Up to the printing date of the Annual Report, the Company has not discovered any major network attack or event, already or possibly causing major adverse impacts on the business and operation of the Company. In addition, the Company has not been involved in any relevant legal case or investigation of the supervisory authority.

(6) Impacts of Change of Corporate Image on Corporate Crisis Management and Countermeasures:

To cope with the global warming issue and the increasing environmental protection awareness of users, many countries have value forest resources and environmental protection issues. The product raw material of the Company is an agricultural economic crop of rubber woods, which is not classified as forest trees. When the rubber wood harvesting period is longer, and the output of natural rubber woods decreases, rubber woods are logged due to a lack of economic value, and the Company will recover and further process the woods in order to completely utilize the residual value of rubber woods, which is of note in green environmental protection and sustainable operation. In addition, the Company has active to installed a wet electrostatic precipitator system surpassing the national regulatory requirements in Thailand, thereby implementing environmental protection properly. Such core values are able to assist the Company to improve the corporate image, which also enhances the trust of customers in the Company. For the most recent year and up to the printing date of the Annual Report, the Company has not been subject to change of corporate image or any event affecting the corporate image.

(7) Expected Benefits, Possible Risks, and Countermeasures for Merger:

For the most recent year and up to the printing date of the Annual Report, the Company has no on-going mergers. Nevertheless, if the Company is subject to mergers in the future, the Company will perform careful evaluation in order to consider whether the merger is able to bring specific synergy to the Company in order to ensure the rights and benefits of shareholders.

(8) Expected Benefits, Possible Risks, and Countermeasures for Expansion of Facilities:

From 2013 to 2021, the Company has successively constructed the second and the third PB factory (GP2 and GPT), the MFC factory and the resin factory. The Company will focus on

integrated synergy, and there is no major capital expenditure plan that is expected in the near future.

(9) Risks Faced during Material Incoming and Sales Centralization as well as Countermeasures:

Risks Faced During Material Incoming Centralization and Countermeasures

The main incoming items of the Company are resin, impregnated papers, and rubber woods (including different sizes of raw woods, shoots, branches, skins, roots, sawdust, cores, blocks...) and solid wood semi-products, Fresh Timber, etc. For the resin, there are many raw material suppliers for selection. In addition, the Company's newly-built resin factory begins its production in late October 2021, which can support part of our resin demand; the source of supply is enriched. Moreover, the main raw material of resin is the common chemicals that have no scarcity, and the quality and source are not in supply shortage at all. Suppliers of impregnated papers cooperate with the manufacturing process of the Company to continuously adjust the formula and provide stable supply. Presently, there are approximately two to three main suppliers. Rubber woods (including Fresh Timber) are supplied by farmers of rubber woods in various areas, and the wood material supply source is broad and continue. The Company and subsidiaries have been in business relationships with the main raw material suppliers for a long period of time. In addition to maintaining an excellent collaborative relationship, the Company also maintains more than two suppliers for the purchase of primary materials. Therefore, the supply source is stable, and there is no risk due to centralized incoming materials.

Risks Faced During Product Sales Centralization and Countermeasures

The Company mainly operates the business of manufacturing and sales of solid wood boards and PB. The products are widely used in building decoration and furniture manufacturing, and customers are mainly distributed in Malaysia, Korea, and China. The customers include furniture manufacturers, face bonding processing manufacturers, panel manufacturers, traders, and manufacturers with adjunct trading. For 2022 and 2023, the sales percentage of the No. 1 largest customer was 8.86% and 12.45%, respectively. To reduce the possible operating risk due to dependency on one single customer, in addition to trader type customers, the Company also actively seeks orders from downstream customers, such as furniture manufactures, face bonding processing manufacturers, and panel processing manufacturers, as well as expanding the market in other countries. In addition, the Company also plans the development of diverse production lines and application fields. The production line has been expanded from solid wood boards and PB to face bonding boards. For the application end, it has been extended from furniture to interior decoration. Through the expansion of both production line and application fields, the Company is able to spread the sales to various customer groups. There is no risk due to overly centralized sales.

(10) Impacts, Risks, and Countermeasures of Directors, Supervisors, or Shareholders with Shareholding Percentage Exceeding 10%, Large Equity Transfer, or Change to the Company:

In the recent year and up to the printing date of the Annual Report III, for the information of the transfer of equity of directors and major shareholders with shareholding exceeding 10% of the Company please refer to the explanation of 8. Transfer or Pledge of Shares

Owned by Directors, Supervisors, Managerial Officers, Shareholders with a Stake of More than 10 Percent During the Most Recent Fiscal Year or During the Current Fiscal Year up to the printing date of III Corporate Governance Report of the Annual Report. The aforementioned event has not caused any major impacts on the management rights and financial business of the Company.

(11) Impacts, Risks, and Countermeasures of Change in Management Rights to the Company:

For the most recent year and up to the printing date of the Annual Report, the Company has not been subject to any change of management right. In addition to the enhancement of various corporate governance measures, the Company also introduces independent directors and has established the Audit Committee in light of improving the overall protection of the rights and benefits of shareholders.

(12) The Company and Directors, Supervisors, President, Substantial Responsible Person of the Company, Major Shareholder with shareholding Percentage Exceeding 10% and Affiliate of the Company that has Received any Affirmative Ruling or is Involved in any Pending Major Litigation, Non-contentious Case, or Administrative Dispute Event, and the Result Thereof May Have Major Impacts on the Shareholders' Rights or Stock Price; Relevant Dispute Facts, Subject Matter Amount, Litigation Starting Date, Main Parties Involved in the Litigation, and the Handling Status up to the Printing Date of Annual Report Required to be Disclosed: None.

(13) Other Significant Risks and Countermeasures:

Limitation on Investment Incentive

The Company and the subsidiary of the Company, HM, are registered in the Cayman Islands and Samoa respectively, such that they are not obligated to pay the business income taxes. GP, GPT and TDICS in the consolidated Company is entitled to tax exemption benefits for parts of the business items according to the Investment Promotion Act in Thailand and based on the approval of the Investment Promotion Committee of the Ministry of Industry in Thailand. The tax exemption period is from June 2016 to June 2024, from June 2020 to June 2023, and from September 2021 to September 2025, respectively. The business income tax of the rest of the subsidiaries in Thailand is calculated according to the tax law in Thailand. The business income tax in Thailand for the years 2022 and 2023 were both 20%.

Natural Disaster

Due to possible climate abnormalities caused by the greenhouse effect, the southern Thailand area may have flood for the rainy season from October to December, such that the harvesting of rubber woods may be difficult and cause shortage of supply, and short-term price fluctuation may result.

Countermeasures:

A. The Company has a relatively complete wood distribution network. Therefore, despite parts of the area possibly suffering from floods, in comparison to other operators in the same industry, the Company is still able to properly manage the raw material supply risk.

B. Since the Company owns both solid wood boards and PB businesses at the same time, during acquisition of rubber wood raw materials, the Company is able to purchase in lots, such that the Company has purchase advantages over operators in the same industry. Since the purchase source is greater, shortage of raw materials has less impact on the Company in comparison to operators in the same industry.

Increase of Labor Cost

The main operating areas of the Company are mainly distributed in the Level 4 areas in Thailand, and the Thailand government has recently increased the basic wage to THB 345/day. Such policy also affects some parts of the employees' salary.

Countermeasures:

The Company's operation strategy continues to move toward a capital-intensive automatic production industry, and the demand for the number of director laborers will decrease; consequently, the increase of the basic wages will have less impact on the Company. Wages for the indirect personnel will be increased according to the government policy, and production capacity will be expanded, production efficiency will be increased, and loss will be reduced in order to mitigate the impact of the increase of wages.

Market Scale Affected by the Economic Cycle

Products of the Company are mainly used in the manufacturing of furniture and interior decoration, which can be generally classified into the building material and furniture related industries. Consequently, the market scale can be varied due to the real estate market and global economic system risk.

Countermeasures:

The Company updates market information at all times, and periodically reviews and predicts possible circumstances as well as implements rigorous cost control. In addition, the Company actively develops new markets, and develops new product application fields, such as the development of downstream MFC processing, thereby expanding market demand through new product applications. The Company expands the market scope and vertical extension of product fields such that the Company shall be able to reduce the impacts of the economic cycle on the industry of the Company.

7. Other Important Matters

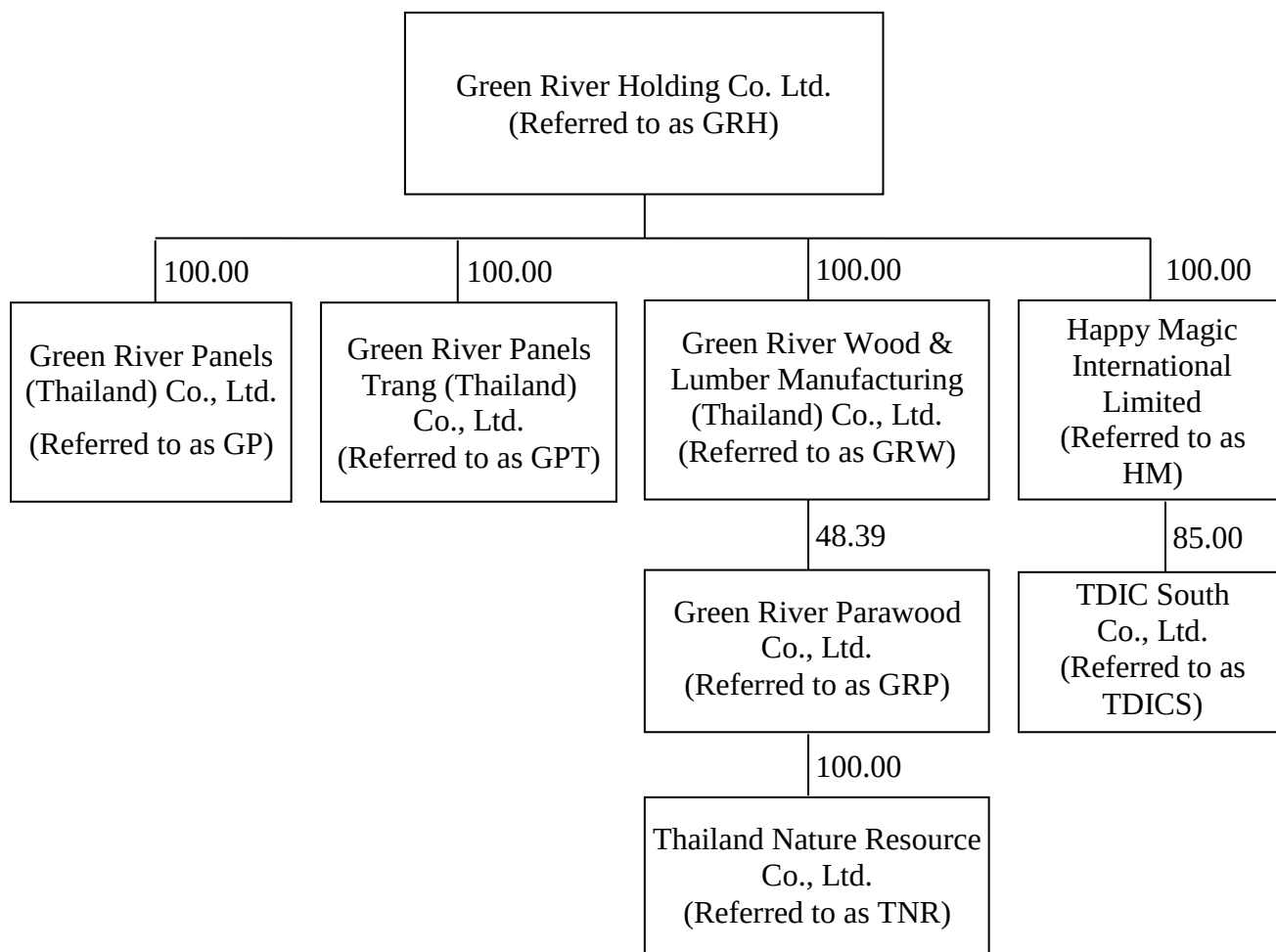
None.

VIII. Special Disclosure

1. Affiliated Enterprise Related Information

(1) Affiliated Enterprise Consolidated Business Report

A. Affiliated Enterprise Consolidated Organizational Chart



B. Affiliated Enterprise Basic Information

May 9, 2024; Unit: In Thousands THB/USD

Enterprise Name	Establishment Date	Address	Capital	Primary Business or Production Item
GP	2004/07/15	222 Moo 4, T.Thachang, A. Bangklum, Songkhla 90110, Thailand	THB 1,040,000	Manufacturing, Processing, and Sales of PB
GPT	2017/02/20	222 Moo.5, T. Kuanmao, A. Ratsada, Trang, 92160, Thailand	THB 875,000	Manufacturing and Sales of PB
HM	2017/01/04	Portcullis Chambers, P.O. Box 1225, Apia, Samoa.	USD 113,661	Investment Business
TDICS	2017/01/13	238/6 Moo. 14, T. Thachang, A. Bangklum, Songkhla 90110, Thailand	THB 180,000	Manufacturing and Sales of Resin
GRW	2000/01/10	222 Moo 4, T.Thachang, A. Bangklum, Songkhla 90110, Thailand	THB 100,000	Manufacturing and Sales of Rubber Solid wood boards
GRP	2002/07/05	222 Moo 4, T.Thachang, A. Bangklum, Songkhla 90110, Thailand	THB 100,000	Purchase and Trimming of Rubber Wood Raw Material
TNR	2010/06/24	222 Moo 4, T.Thachang, A. Bangklum, Songkhla 90110, Thailand	THB 60,000	Manufacturing and Sales of Rubber Solid wood boards

C. Information of Identical Shareholders for Affiliated Enterprises Inferred to Have Control and Dominance-subordinate Relationship: Not applicable.

D. Businesses Covered by the Business Operated by the Overall Affiliated Enterprises: Please refer to B. Main Business Items of Affiliated Enterprises Basic Information Table of Section VIII, Item 1, Sub-item (1) of this Annual Report.

E. Name of Directors, Supervisors, and President of Each Affiliated Enterprise and Their Shareholding or Capital Contribution Status on Such Affiliated Enterprise

May 9, 2024

Enterprise Name	Job Title	Name or Representative	Shareholding	
			Shares Held	%
GP	Director and Chairman	Hsieh, Jung-Hui	1	0.00%
	Director	Huang, Teng-Shih	1	0.00%
	Director	Piya Samutchothuang	—	—
	Director	Kitti Teranasthiarphan	—	—
	CEO and COO	Wang, Sheng-Feng	—	—
GPT	Director and Chairman	Hsieh, Jung-Hui	1	0.00%
	Director	Huang, Teng-Shih	1	0.00%
	Director	Kitti Teranasthiarphan	1	0.00%
	Director	Piya Samutchothuang	—	—
	CEO and COO	Wang, Sheng-Feng	—	—
HM	Chairman	Hsieh, Jung-Hui	—	—
	CEO	Huang, Teng-Shih	—	—
TDICS	Director and Chairman and CEO	Huang, Teng-Shih	18	0.00%
	Director	Wang, Ping-Hsun	—	—
	Director	Somphiu Bouboot	—	—
	Director	Sarunrad Duangchan	—	—
	Director	Chanchai Charoonkiatkamjon	—	—
GRW	Director and Chairman	Hsieh, Jung-Hui	1	0.00%
	Director	Huang, Teng-Shih	1	0.00%
	Director	Piya Samutchothuang	—	—
	Director	Huang Ping	—	—
	CEO and COO	Wang, Sheng-Feng	—	—
GRP	Director and Chairman	Hsieh, Jung-Hui	1	0.00%
	Director	Huang, Teng-Shih	1	0.00%
	Director	Piya Samutchothuang	1	0.00%
	Director	Huang Ping	—	—
	CEO and COO	Wang, Sheng-Feng	—	—

Enterprise Name	Job Title	Name or Representative	Shareholding	
			Shares Held	%
TNR	Director and Chairman	Hsieh, Jung-Hui	1	0.00%
	Director	Huang, Teng-Shih	1	0.00%
	Director	Piya Samutchochuang	1	0.00%
	CEO and COO	Wang, Sheng-Feng	—	—

F. Operation Summary of Each Affiliated Enterprise

December 31, 2023; Unit: In Thousands of New Taiwan Dollars

Enterprise Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit	Profit or Loss (after tax)	Earnings (Deficits) per Share (NTS) (after tax)
GP	937,768	3,534,733	1,819,476	1,715,256	2,388,631	(86,088)	(168,722)	(16.22)
GPT	788,988	3,392,677	2,616,342	776,335	2,191,514	(117,158)	(126,084)	(14.41)
HM	3,333,285	3,438,910	3,057	3,435,854	—	(398)	86,134	0.70
TDICS	162,306	880,039	782,750	97,290	923,769	62,881	23,800	1.32
GRW	90,170	266,244	156,731	109,513	326,250	(22,327)	(13,804)	(1.38)
GRP	90,170	22,219	141,113	(118,894)	82,072	(7,712)	(11,292)	(1.13)
TNR	54,102	40,338	115,774	(75,436)	—	(3,385)	(6,428)	(1.07)

Note 1: 2023 financial statements audited by CPA.

Note 2: Balance Sheet Exchange Rate: THB 1 = NTD 0.9017

Income Statement Exchange Rate: THB 1 = NTD 0.9005

(2) Affiliated Enterprise Consolidated Financial Statement Declaration

Affiliated Enterprise Consolidated Financial Statement Declaration

Our Company hereby declares that the companies required to be incorporated into the preparation of the Consolidated Financial Statement of the affiliates according to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” are identical with the companies required to be incorporated into the preparation of the Consolidated Financial Statements of parent and subsidiary companies according to the “International Financial Reporting Standards 27 (IFRS 27)” for the year of 2023 (from January 1 to December 31, 2023); in addition, relevant information required to be disclosed in the Consolidated Financial Statement of the affiliates has been disclosed completely in the Consolidated Financial Statements of parent and subsidiary companies. Accordingly, no separate Consolidated Financial Statement of the affiliates is further provided.

Declared By

Company Name: Green River Holding Co. Ltd.

Responsible Person: Hsieh, Jung-Hui

March 13, 2024

(3) Affiliation Report: Not applicable.

2. Carrying out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

3. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

4. Other Necessary Supplemental Explanations

During IPO, the Company declared in the “Regulations for Acquisition or Disposal of Assets” that “The Company shall not give up the future capital increase of Green River Panels (Thailand) Co., Ltd. (GP) and Green River Wood & Manufacturing (Thailand) Co., Ltd. (GRW) each year. GRW shall not give up the capital increase of Green River Parawood Co., Ltd. (GRP) in the coming years. GRP shall not give up the capital increase of Thailand Nature Resource Co., Ltd. in the coming years; if in the future, a company is required to give up one of the companies capital increase or punishment on the basis of the policy alliance investigation or other agreement of the OTC, it must be approved by the special resolution of the Board of Directors of the Company.” In addition, if there is any amendment to these Regulations, it shall be input into the MOPS material information for disclosure, and shall be reported to the TPEx for recordation.

The Company has issued the declaration, and the proposal for amendment of the “Policies and Procedures for Acquisition or Disposal of Assets” has been approved in the Shareholders’ Meeting on June 16, 2016. Up to the printing date of the Annual Report, there are no capital increases for the aforementioned subsidiaries and investees, such that there is no violation of the declaration.

5. A company (foreign company) listed on the emerging stock market for the first time shall include explanation on the major differences from the regulations for the protection of shareholders’ interests in our nation.

In addition to the following differences, the listed company has established specific content for the protection of shareholders’ rights in the charter and Articles of Incorporation of the listed company according to the “Protection of Interests of Shareholders of Foreign Issuer Checklist” announced by the TPEx on January 21, 2015. In addition, the Articles of Incorporation of the Company have been revised according to the amendment of the “Protection of Interests of Shareholders of Foreign Issuer Checklist” announced by the TPEx over the years and the Company practice; please refer to the Shareholders’ Meeting Handbook over the years for detail. According to the Cayman Islands’ Company Law, it does not restrict Cayman Island companies from incorporating the articles and provisions specified in the “Protection of Interests of Shareholders of Foreign Issuer Checklist”.

Important Matters for Protection of Shareholders' Interests	Provisions of Articles of Incorporation and Reason for Differences
1. The Physical Shareholders' Meetings shall be convened in the jurisdiction of the R.O.C. For a Physical Shareholders' Meeting convened in the R.O.C., it shall be reported to the TPEx for consent within two days after the resolution of the Board of Directors' Meeting or obtaining the convention approval of the competent authority. 2. For a shareholder continuously holding more than 3% of total outstanding shares for more than one year, such shareholder may submit a written proposal matter and reason to request the Board of Directors to convene an Extraordinary Shareholders' Meeting. Within 15 days after the submission of the request, if the Board of Directors provides no convention notice, the shareholder may report to the competent authority for approval in order to execute convention of meeting on its own.	1. For a Shareholder's Meeting convened by the shareholder, since the Cayman Islands' Company Act has no specific regulations on the convention of a Shareholders' Meeting by a shareholder, consequently, Article 19.6 of the Articles of Incorporation of the Company does not specify the requirement that prior to the convention of an Extraordinary Shareholders' Meeting by shareholder, it is required to report to the competent authority for approval. In addition, if a shareholder convenes a Shareholders' Meeting outside the jurisdiction of the R.O.C., since an Extraordinary Shareholder's Meeting convened by a shareholder is not required to obtain the approval of the local competent authority in the Cayman Islands, consequently, Article 18.3 of the Articles of Incorporation of the Company only specifies that it is required to report to the R.O.C. TWSE or TPEx (depending upon the situation) for approval, rather than the content of the Protection of Shareholders' Interest Checklist requesting "report to the TPEx for consent within two days after the shareholder obtains the convention approval of the competent authority". For this part, it shall not cause any substantial impact on the shareholders' interests in the R.O.C.
During the convention of Shareholders' Meetings, the electronic method shall be listed as one of the methods for exercising the voting rights. When the Company exercises voting rights in writing or via electronic methods, the exercise method shall be indicated on the Shareholders' Meeting convention notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.	Regarding the exercise of voting rights in writing or via electronic method by shareholders, the Cayman Islands' Company Act does not specify whether the shareholders exercising voting rights in writing or via electronic method can be deemed to have attended the Shareholders' Meeting in person, and the attorney in the Cayman Islands has not discovered any relevant previous case examples. To provide further arrangement, Article 25.4 of the Articles of Incorporation of the Company specifies that "When a shareholder exercises his/her voting rights in a Shareholders' Meeting in writing or via electronic method according to the aforementioned requirement, he/she is deemed to entrust the meeting Chairperson to be his/her proxy to exercise voting rights in the Shareholders' Meeting according to the method instructed on the written or electronic document. The meeting Chairperson, based on its position as a proxy, for matters not mentioned or not specified in the written or electronic document, and/or amendments to the original proposal

Important Matters for Protection of Shareholders' Interests	Provisions of Articles of Incorporation and Reason for Differences
	submitted in the Shareholders' Meeting, the Chairperson shall not have the right to exercise the voting right for such shareholder. To clarify doubts, such shareholder using said methods to exercise voting rights shall be deemed to have waived the exercise of voting rights on the extraordinary motion and/or amendment of original proposal submitted in such Shareholders' Meeting". In addition, Article 26.3 of the Articles of Incorporation of the Company specifies that such voting rights exercised by the Chairperson of the Shareholders' Meeting on behalf of the shareholder shall not be subject to the restriction of not exceeding 3% of the voting rights of total number of outstanding shares.
For the following proposals related to major interests of shareholders, it is required to have shareholders representing more than two-thirds of the total number of outstanding issues attending the meeting, and shall be executed based on the consent of a majority of voting rights of attending shareholders. Where the total number of shares of attending shareholders is less than the aforementioned quantity specified, it may be executed based on the attendance of shareholders representing a majority of the total number of outstanding shares and based on the consent of more than two-thirds of the voting rights of attending shareholders: 1. Where the Company establishes, changes, or terminates a contract related to the lease of all business, commissioned for operation or common joint operation with others, transfers all or the major parts of business or property, or acquires all business or property from others such that major impact on the operation of the Company occurs; 2. Where the Articles of Incorporation are changed; 3. Where the change of Articles of Incorporation damages the rights	1. For the resolution method of a Shareholders' Meeting, in addition to the ordinary resolution and major resolution under the laws of the R.O.C., Article 1.1 of the Articles of Incorporation specifies the "Special Resolution" defined under the Cayman Islands' Company Act, i.e. in a Shareholders' Meeting of a company, with the attendance of shareholders with the rights to participate in voting in person, or through voting with authorization letters, or through voting by an attending representative legally authorized by corporate shareholders or non-natural person shareholders, after the calculation of the number of voting rights of each shareholder, the resolution shall be based on the approval of at least two-thirds of the voting rights of the attending shareholders. 2. According to the regulations of the Cayman Islands' Company Act, the following matters shall be handled via the special resolution method: (1) Change of the Articles of Incorporation; According to the laws of the Cayman Islands, the change of the Articles of Incorporation shall be based on the special resolution specified in the Cayman Islands' Company Act. Therefore, for a resolution passing criteria in Article 12.1 of the Articles of Incorporation of the Company, it is not revised to be a major resolution matter under the laws of the R.O.C. according to the requirements specified in the Protection of Shareholders' Interests Checklist. In addition, according to Article 13 of the

Important Matters for Protection of Shareholders' Interests	Provisions of Articles of Incorporation and Reason for Differences
of shareholders of preferred stocks, the resolution of the Shareholders' Meeting for preferred stocks shall be approved; 4. Where all or a portion of dividends and bonuses are issued via the method of issuance of new shares; 5. Where there is resolution on dissolution, merger, or slip-up; 6. Where new restricted employee shares are issued. 7. Share swap	Articles of Incorporation of the Company, if any revision or change of the Articles of Incorporation will damage the priority rights of any type of shares, then relevant revision or change shall be passed through special resolution, and shall be approved through the special resolution of a Shareholders' Meeting further convened for the shareholders of such type of damaged shares. (2) Dissolution; According to the laws of the Cayman Islands, when a company reaches the resolution for voluntary liquidation and dissolution due to failure to make repayment upon the maturity of debts, the dissolution shall be made based on the resolution of a Shareholders' Meeting. However, if the Company performs voluntary liquidation and dissolution due to reasons other than the above, the dissolution shall be made based on the special resolution specified in the laws of the Cayman Islands. Consequently, for a resolution passing criteria for the company dissolution in Article 12.4 of the Articles of Incorporation of the Company, it is not revised to be a major resolution matter under the laws of the R.O.C. according to the requirements specified in the Protection of Shareholders' Interests Checklist. (3) Merger; Since the Cayman Islands' Company Act specifies compulsory requirements on the voting method for the "merger defined under the laws of the Cayman Islands", Section (b) of Article 12.3 of the Articles of Incorporation of the Company specifies that "merger" (in addition to compliance with the approval through special resolution for the "acquisition and/or merger" defined under the Cayman Islands' Company Act" shall be approved through major resolution. 3. The difference between the aforementioned matter and the Protection of Shareholders' Interests Checklist relies on the matters required to be passed through major resolution according to the Protection of Shareholders' Interests Checklist being further specified as matters for major resolution and matters for special

Important Matters for Protection of Shareholders' Interests	Provisions of Articles of Incorporation and Reason for Differences
	resolutions respectively in the Articles of Incorporation of the Company. Since such differences arises from the laws of the Cayman Island, and since the Articles of Incorporation of the Company have listed the major resolution matters specified in the Important Matters for Protection of Shareholders' Interests as the major resolution matters and special resolution matters in the Articles of Incorporation of the Company, the impact of such part of the Articles of Incorporation of the Company on the interests of shareholders shall be considered to be limited.
1. Where a company has supervisors, supervisors shall be elected by the Shareholders' Meeting, and at least one supervisor shall have a domicile in the R.O.C. 2. The term of office of supervisors shall not exceed three years. However, re-election shall be applicable. 3. When all of the supervisors are dismissed, the Board of Directors shall convene an Extraordinary Shareholders' Meeting for election within 60 days. 4. Supervisors shall supervise the execution of the Company's business, and may examine the Company's business and financial status, audit books and documents, and request the Board of Directors or managerial officers to submit reports at any time. 5. Supervisors shall perform audit on various statements prepared by the Board of Directors and submitted in the Shareholders' Meeting, and shall report opinions to the Shareholders' Meeting. 6. Supervisors performing audit affairs may represent the Company to appoint a CPA and attorneys for review.	The Cayman Islands' Company Act does not specify the concept of 'supervisor', and a publicly listed company establishes the Audit Committee and has no supervisors; therefore, there are no relevant requirements for supervisors in the Articles of Incorporation.

Important Matters for Protection of Shareholders' Interests	Provisions of Articles of Incorporation and Reason for Differences
7. Supervisors may attend the Board of Directors' Meeting to express their opinions. Where the Board of Directors or a director violates the law during the execution of duties, or performing actions based on the Articles of Incorporation or resolution of a Shareholders' Meeting, the supervisors shall inform the Board of Directors or the director to stop its action immediately. 8. Each supervisor may exercise his/her supervisory right independently. 9. Supervisors shall not concurrently take on the roles of director, managerial officer, or other employee of the Company.	
1. For a shareholder holding more than 1% of the total number of outstanding shares of the Company for more than six months consecutively, he or she may request the supervisors to file litigation against a director on behalf of the Company, and the Taiwan Taipei District Court may be the competent court of first instance. 2. Within 30 days after the shareholder submits such request, where the supervisors fail to file litigation, the shareholder may file litigation on behalf of the Company, and the Taiwan Taipei District Court may be the competent court of first instance.	Since the laws of the Cayman Islands have no concept equivalent to supervisors, and since the Company has established the Audit Committee, there are no requirements related to supervisors in the Articles of Incorporation of the Company. However, with reference to the regulations on the minority shareholders' request to file litigation against a director according to Article 214 of the Company Act of the R.O.C., Article 48.3 of the Articles of Incorporation of the Company specifies that for a shareholder holding more than 3% of the total number of outstanding shares of the Company for more than one year consecutively, (a) request in writing the Board to authorise any Independent Director of the Audit Committee to file a petition with the Taipei District Court, ROC for and on behalf of the Company against any of the Directors; or (b) request in writing any Independent Director(s) of the Audit Committee to file a petition for and on behalf of the Company against any of the Directors; the petition may be filed with the Taipei District Court, ROC as the court of the first instance; or Member(s) may, to the extent permitted under the laws of the Cayman Islands, file a petition with the Taipei District Court, ROC for and on behalf of the Company against the relevant Directors within thirty (30) days after such Member(s) having made the request under the preceding clause (a) or (b) if (i) in the case of clause (a), the Board fails to make such

Important Matters for Protection of Shareholders' Interests	Provisions of Articles of Incorporation and Reason for Differences
	authorisation or the Independent Director of the Audit Committee having been authorised by the Board fails to file such petition, or (ii) in the case of clause (b), the Independent Director of the Audit Committee fails to file such petition. However, for the aforementioned provision, the attorney in the Cayman Islands reminds us of the following according to the laws of the Cayman Islands: The Cayman Islands' laws have not provided any specific regulations on the filing of derivative litigation proceeding by minority shareholders against a director at the court of the Cayman Islands. The Articles of Incorporation of the Company are not a contract between the shareholders and directors, but an agreement between the shareholders and the Company. Therefore, despite the Articles of Incorporation permitting minority shareholders to file derivative litigation against a director, the attorney in the Cayman Islands considers that such content is not binding on the director. Nevertheless, under the Common Law, all shareholders (including minority shareholders), regardless of their shareholding percentage or period of shareholding, have the right to file derivative litigation (including litigation against a director). Once a shareholder files a lawsuit, the court in the Cayman Islands has the full power to determine whether the shareholder may continue with the lawsuit. In other words, despite the Articles of Incorporation of the Company specifying that minority shareholders (or shareholders with required shareholding percentage or shareholding period) may represent the Company to file litigation against a director, nonetheless, whether such litigation can be continued to proceed, the final determination shall still be based on the decision of the court in the Cayman Islands. According to relevant judgments made by the Grand Court in the Cayman Islands, when the court in the Cayman Islands is determining whether to permit the continuing of a derivative lawsuit, the applicable rules are based on whether the court in the Cayman Islands believes and accepts that the request submitted by the plaintiff representing the Company has superficial substance, and the illegal action claimed is made by a party having control of the Company, and such party having controls is able to cause the Company to not file litigation against the

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	defendant. The court in the Cayman Island makes determination on the facts of individual cases (although the court may still consider the requirements of the Articles of Incorporation, this is not the decisive factor). According to the laws of the Cayman Islands, the Board of Directors shall make decision based on its entirety (rather than an individual director) on behalf of the Company. Therefore, the Board of Directors shall authorize any one director based on the resolution of the Board of Directors' Meeting according to the Articles of Incorporation in order to file litigation against another director on behalf of the Company. The Cayman Islands' Company Act does not specify regulations for a shareholder to request the Board of Directors to convene a Board of Directors' Meeting for resolution of specific matters. Nevertheless, the Cayman Islands' Company Act does not prohibit companies to specify relevant requirements for Board of Directors' Meeting procedures (including the requirements for convention of Board of Directors' Meetings).
1. A director of the Company shall perform duties in good faith and act as a prudent administrator with good care in the fulfillment of obligations. In the case of violation such that the Company suffers damages, he or she shall bear the damage indemnification liability. Where such action is made by the director or others, the Shareholder's Meeting may treat the income gained from such action as the income of the Company through resolution. 2. Where a director violates the law during the execution of Company duties such that others suffer from damages, he or she shall bear the joint liability with the Company for others. 3. The managerial officers and supervisors of the Company, within the scope of duty execution, shall bear the damage	Although Article 48.4 of the Articles of Incorporation has specified that "under the condition where general director's responsibilities borne by a director of the Company for the Company and shareholders under the Common Law principles and laws of the Cayman Islands are not affected, when the director is performing the business operation of the Company, he or she shall perform duties with royalty and fulfill the due care of a prudent administrator. In the case of any violation such that the Company suffers damages, he or she shall bear the damage indemnification liability within the maximum limitation permitted under the law. When a director conducts action violating the aforementioned requirements to obtain any benefits for his/her own self or others, through an ordinary resolution of the Shareholders' Meeting, the Company shall adopt all appropriate actions and steps within the maximum limitation permitted by the law in order to allow the such benefits to be vested in the Company from the director. When a director of the Company violates the laws or orders during the execution of the business operation such that the Company is subject to any indemnification or damage liability for any one, the director shall

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indemnification liability identical to that of the directors of the Company.	bear the joint liability for such indemnification or damage together with the Company. In addition, in the case of any reasons such that the director is not obligated to bear the joint liability together with the Company, the director shall be responsible for providing compensation for any loss suffered by the Company due to his/her violation of his/her obligations. When a managerial officer is performing the Company duties, he or she shall bear the damage indemnification liabilities identical to those of the directors of the Company.” However, for the aforementioned provision, the attorney in the Cayman Islands reminds us of the following according to the laws of the Cayman Islands: The responsibilities of a director for his/her company under the laws of the Cayman Islands can be generally divided into the responsibilities (i.e. professional skills, awareness, and diligent responsibilities) and obligations of royalty under the Common Law. However, the directors shall still bear the statutory obligations according to the requirements of laws, and under specific circumstances, they shall also bear obligations for a third party (i.e. a creditor). If the Company has no ability for repayment or has the likelihood of no ability for repayment of debts, the directors shall consider the interests of creditors during their fulfillment of responsibilities. Since the Articles of Incorporation of the Company are an agreement between the shareholders and the Company, the directors are not the party of the Articles of Incorporation of the Company. Accordingly, all of claims of the damage indemnification rights against the directors for their violation of required obligations shall be specified in the service contract. Under the laws of the Cayman Islands, in general, managerial officers or supervisors are not required to bear liabilities for the Company or shareholders the same as the ones borne by the directors of the Company. However, if a managerial officer or supervisor is authorized to represent the senior manager's actions, then he or she will bear the same obligation as those borne by the director of the Company. To prevent doubts, a Cayman company generally specifies the responsibilities and obligations of a managerial officer or supervisor for

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	his/her company or shareholders in the service contract of the managerial officer or supervisor. Similarly, since the Articles of Incorporation of the Company are an agreement between the shareholders and the Company, the managerial officers and supervisors are not the party of the Articles of Incorporation of the Company. Accordingly, all of claims of damage indemnification rights against the managerial officers or supervisors for their violation shall be specified in the service contract. In terms of the laws of the Cayman islands, since the Articles of Incorporations of a company are an agreement between the shareholders and the issuance company, the directors (for their identity as directors of the issuance company) are not the party of the Articles of Incorporation of the Company; therefore, the attorney in the Cayman Islands is of the opinion that the Articles of Incorporation (including Article 48.4) are not binding on the directors. If the Company wishes to have contract binding effect on the directors through relevant articles, then the attorney in the Cayman Islands believes that the content of relevant rights shall be specified in the contract with each individual director, such as the service contract.

IX. For the most recent year and up to the printing date of the Annual Report, whether there is any occurrence of events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act (including material information in a press conference concerning material information specified in Paragraph 1 of Article 11 of the Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEx Listed Securities)

None.

Green River Holding Co. Ltd.

Chairman: Hsieh, Jung-Hui