



台灣櫻花股份有限公司
TAIWAN SAKURA CORPORATION

2024 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. Spokesperson

Name: Hung-Chi Lai
Title: Deputy General Manager
Tel: +886-4-25666106 ex.818
E-mail: archie07@sakura.com.tw

II. Acting Spokesperson

Name: Hsiu-Chi Chan
Title: Senior Manager
Tel: +886-4-25666106 ex.828
E-mail: e0100@sakura.com.tw

III. Headquarters, Branches and Plant

Headquarters	428	No. 436, Sec. 4, Yatan Rd., Daya Dist., Taichung City	Tel: +886-4-25666106
Daya 2nd. Plant	428	No. 303, Sec. 4, Yatan Rd., Daya Dist., Taichung City	Tel: +886-4-25681277
Shengang Plant	429	No. 3, No. 5, Ln. 61, Dafu Rd., Shengang Dist., Taichung City	Tel: +886-4-25243146
Wuri Plant	414	No. 9, Futai St., Wuri Dist., Taichung City	Tel: +886-4-23334214
Taipei Office	114	6F., No. 303, Xinhua 1st Rd., Neihu Dist., Taipei City	Tel: +886-2-66016000
Taoyuan Office	325	No. 165, Sec. 1, Gong 2nd Rd., Longtan Dist., Taoyuan City	Tel: +886-3-4397466
Tainan Office	701	1F., No. 95, Sec. 3, Zhonghua E. Rd., East Dist., Tainan City	Tel: +886-6-2898158
Kaohsiung Office	831	No. 271, Wandan Rd., Daliao Dist., Kaohsiung City	Tel: +886-7-7816718

IV. Stock Transfer Agent

Name: Transfer Agency Department, CTBC Bank Co., Ltd.
Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
100, Taiwan (R.O.C.)
Tel: +886-2-66365566
Website: <https://www.ctcbank.com>

V. CPA of the most recent financial report

Accounting Firm: Ernst & Young
Certified Public Accountant: Yu-Ting Huang and Tzu-Ping Huang
Address: 26F., No. 186, Shizheng N. 7th Rd., Xitun Dist., Taichung City 407,
Taiwan (R.O.C.)
Tel: +886-4-22598999
Website: http://www.ey.com/tw/zh_tw

VI. Overseas Securities Exchange and Overseas Securities Information

None

VII. Corporate Website

<http://www.sakura.com.tw>

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Chapter 1 A Letter to Shareholders

Dear shareholders,

The year 2024 marked a pivotal period for TAIWAN SAKURA CORPORATION, characterized by both “breakthroughs in existing businesses” and “the rise of new ventures.” On the front of existing business advancements, the Company officially launched AI KITCHEN, signalling TAIWAN SAKURA CORPORATION’s entry into the AI era. Through innovative kitchen appliances and rapid channel expansion, the Company secured an early lead in the construction project market and successfully boosted brand awareness for its AI product line. In the Company’s kitchen systems division, we continued to enhance customer satisfaction through one-stop, integrated solutions, achieving record highs in both sales and profitability year after year. In the water purification business, we established a competitive edge through product differentiation, further reinforcing the brand’s professional image. Supported by a streamlined and efficient sales force, we rapidly expanded market coverage. As for the home living business, we focused on cultivating relationships with property developers. Our business model has been continually refined and is gradually reaching maturity. Last year marked the beginning of profitability in this segment, and we believe that once the operational framework is fully established, it will become a major growth engine for the Group.

Over the past year, TAIWAN SAKURA CORPORATION underwent significant changes and breakthroughs. Each transformation represented a new challenge for the Company. However, thanks to our solid operational foundation and strong execution team, we continued to deliver outstanding business performance, achieving double-digit growth in both revenue and profit. In 2024, consolidated revenue reached NT\$9.601 billion, an annual increase of 16.06%; operating profit was NT\$1.464 billion, up 18.98% year-on-year; and net profit attributable to the parent company after tax was NT\$1.301 billion, an increase of 21.31% compared to the previous year.

TAIWAN SAKURA CORPORATION has always placed the consumer at the center, with "lifetime service" as our promise. Today, we find ourselves in an era of rapid change. As the global economic environment fluctuates and AI technology evolves at an accelerated pace, consumer behaviors continue to change as well. Only by staying closely aligned with consumer needs can we maintain our leadership in the market. Therefore, building on the foundation established by TAIWAN SAKURA CORPORATION, we will remain agile and adaptable, swiftly responding to market demands and continuously creating momentum for growth.

I. 2024 Business Report

(I) Result of operation plan

Unit: NT\$ thousands

Item	2024	2023	Increase (decrease)%
Operating revenue	9,600,869	8,272,415	16.06%
Operating income	1,463,603	1,230,103	18.98%
Income before tax	1,626,750	1,365,336	19.15%
Net income	1,292,120	1,069,107	20.86%
Net income attributable to owners of the parent company	1,300,674	1,072,204	21.31%

(II) Forecast and implementation

Unit: Pcs; Sets

Main Products	Target sales in 2024	Actual sales in 2024	Achievement Rate
Kitchen Appliance (Note 1)	692,250	642,977	92.88%
Water Heater	323,303	341,354	105.58%
Cabinet of Kitchen System (Note 2)	36,717	37,587	102.37%
Others (Note 3)	329,890	339,094	102.79%
Total	1,382,160	1,361,012	98.47%

Note 1: Kitchen equipment mainly includes range hoods, gas stoves, dish dryers and water purifiers.

Note 2: This figure only includes complete sets of the cabinet of the kitchen system; sales that were not completed in sets are not included in the calculation of achievement rate.

Note 3: This category mainly consists of electrical products and purifier filters purchased externally.

(III) Financial highlights and profitability analysis

1. Financial Highlight

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase (decrease)%
Cash generated from operating activities	1,191,184	1,279,926	(6.93%)
Cash used in investment activities	(510,602)	(116,557)	(338.07%)
Cash generated used in financing activities	(726,713)	(747,855)	2.83%

2. Profitability analysis

Item	Year		
	2024	2023	
Return on assets (%)	12.97	11.82	
Return on equity (%)	20.61	18.23	
Ratio to paid-in capital (%)	Operation Income	66.19	55.63
	Income before Tax	73.56	61.74
Profit margin (%)	13.54	12.96	
Earnings per share (NT\$)	5.94	4.90	

(IV) Research and development status

The Research & Development (R&D) team of Taiwan Sakura Corporation has incorporated the brand value of “Creator of a Better Home Life” into its product research and development, while also leveraging the Company’s long-standing investment in electrical control software and hardware technologies. In addition to its continuous focus on developing convenient, safe, healthy, and environmentally friendly kitchen equipment and gas-burning products, the R&D team has expanded the Company’s product lines to include water purifiers and built-in electrical appliances. In 2024, the Company launched the Sakura AI KITCHEN series. Over the past two years, successful product developments have included the following:

1. Auto Seasons Max Power Adaptive Water Heater
2. Auto Seasons Pump Max Power Adaptive Water Heater
3. Recirculation Preheat Water Heater
4. Beauty Skin Bath Water Heater
5. Auto Seasons Max Power Adaptive High-Efficiency Water Heater
6. Dual-energy Concentrated Gas Stove
7. Timed Control Anti-Backfire Gas Stove
8. Dual-timer Safety Gas Stove
9. Smart Range Hood with Intelligent Air Control and Auto Lift Close-Range Suction
10. Turbine Variable Frequency European-style Oil Smoke Extractor
11. Area-specific Water Purifier
12. Multifunctional Display Water Purifier
13. Undersink Hot and Ambient RO Water Purifier
14. Countertop Hot and Ambient RO Water Purifier
15. Hot-air Drying Dishwasher
16. Multifunctional Microwave Steamer Oven
17. Smart-linkage Induction Hob
18. Compact Smart-linkage Induction Hob
19. Smart Built-in Storage Cabinet
20. Built-in Wine Cabinet

II. 2025 Business Plan Summary

(I) Business management policy

1. Deepen core business and promote Ai-driven upgrades: Continue to consolidate the market leadership position in water heaters, kitchen appliances, and integrated kitchens, leveraging AI technology to drive product innovation and enhance operational efficiency. A new generation of AI series products is expected to launch in the second quarter of 2025 to further strengthen product competitiveness.
2. Expand new business segments to create growth momentum: Strengthen cooperation with builder clients to improve competitiveness in the whole-house decoration market; deepen the layout of water purification products and channels to increase market penetration.
3. Enhance SAKURA iCare's smart services: Leverage AI technology to improve the after-sales service experience, increase maintenance efficiency through data systems, and enhance customer satisfaction.
4. Optimize the supply chain and intelligent manufacturing: The new Wufeng Plant is expected to officially open in the third quarter of 2025, with the introduction of an automated production management system to improve production flexibility, support customized manufacturing, and enhance market adaptability.
5. Promote data-driven management and decision-making: Optimize decision-making processes through data analysis and digital tools, improve enterprise management efficiency, and ensure optimal resource allocation.
6. Advance talent cultivation programs: Establish a young and professional talent pool, strengthen cross-disciplinary training and internal development mechanisms, and ensure future competitiveness.
7. Implement risk management and maintain financial soundness: Strengthen accounts receivable management, inventory control, and cash flow optimization to ensure financial stability.

(II) Sales forecast (Consolidated)

Unit: Pcs; Sets

Main Products	Target sales number in 2025
Kitchen Appliance (Note 1)	700,849
Water Heater	351,538
Kitchen cabinets (Note 2)	40,597
Others (Note 3)	368,002
Total	1,460,986

Note 1: The kitchen equipment mainly consists of an exhaust hood, gas stove, dishwasher, and water purifier.

Note 2: The kitchen cabinets are listed only for complete sets, and the incomplete sets are not included in the achievement rate calculation.

Note 3: Other items mainly include externally purchased electrical appliances and water purifier filters.

The Target sales in 2025 is estimated based on domestic and international economic conditions, characteristics of industry competition where the market share, product model mix, the changes in customer structure and expected supply and demand are taken into account.

(III) Important production and marketing policies

1. Marketing aspect

- (1) Continue to promote the popularization of AI smart water heaters and kitchen appliances, and focus on the development of intelligent and high-efficiency products.
- (2) Expand the coverage of the overall kitchen chain channel, optimize the development model simultaneously, and improve operational efficiency and profitability.
- (3) Deepening the cooperation model between the home furnishing business and the builder to increase the penetration rate of whole-house decoration; The water purification business strengthened the layout of products and channels to improve market competitiveness and brand coverage.
- (4) Taking Vietnam as the development base of the ASEAN market, gradually enhancing brand influence and strengthening regional competitive advantages.

2. Production aspect

- (1) Use DFSS and simultaneous engineering to improve the quality and efficiency of product development.
- (2) Continue to promote standardization, modular operation and automation engineering to improve production flexibility and reduce production costs.
- (3) Improve the collaborative management ability of the supply chain, ensure the stable supply of raw materials, optimize the cost structure, and reduce risks.
- (4) Ensure the balance between production and sales and improve the accuracy of supply through intelligent forecasting and inventory management. Realize various standardization and modularization operations to reduce costs.

III. The Company's Future Development Strategy

Looking forward to 2025, Taiwan Sakura will take "intelligent innovation, data decision-making, and sustainable management" as its core strategy. In the process of strategy promotion, data decisions are imported into daily operation and management nodes, so as to build a more real-time and accurate operation system and improve the overall operation performance and resource allocation efficiency. Focus on six major development directions:

- (I) Promote the upgrade of AI smart kitchens, strengthen product application scenarios and promotion depth, and expand market penetration.
- (II) The new Wufeng factory was launched as the starting point of the intelligent manufacturing base, and the automation and AI systems were fully introduced to improve production capacity and manufacturing flexibility.
- (III) Continue to optimize the SAKURA iCare intelligent platform, integrate the usage process and data application, comprehensively improve the service experience and brand value, and cooperate with international brands to expand brand reach and attract the new generation of consumers.

- (IV) Strengthen the overall kitchen solution, integrate design cases and sales data, provide systematic solutions, and improve the quality of project delivery and market competitiveness.
- (V) Expand the business territory of home furnishing and water purification, continue to deepen the channel and product layout, and expand market penetration.
- (VI) International market development, with Vietnam as the core base, and gradually expand the ASEAN market. Overseas market operation adopts the dual-track strategy of "brand management and OEM/ODM" to lay the foundation for international layout and enhance regional competitiveness.

IV. The Impact of External Competitive Environment, Regulatory Environment and Over-all Business Environment on the Company.

With global economic changes, industrial changes and regulatory trends having a profound impact on business operations, Sakura Taiwan will actively address the following key challenges:

- (I) Impact of Economic Environment and Geopolitics: High inflation and interest rate policies are affecting market consumption power, while geopolitical factors may continue to impact supply chain stability. The company will ensure steady operational development through flexible supply chain management and market strategies.
- (II) Intensified Industry Competition and Smart Kitchen Appliance Transformation: Global home appliance companies are actively investing in the smart home market, leading to increasingly fierce competition. The company will continue to maintain its leading position by leveraging brand trust, channel advantages, and technological innovation.
- (III) Stricter ESG Sustainability and Environmental Protection Trends: Low-carbon manufacturing and the application of green energy have become key trends in corporate development. The company will continue to strengthen its ESG strategies and implement green energy technologies to comply with international environmental regulations.

In 2025, Taiwan Sakura will continue to deepen the SAKURA AI Kitchen strategy, promote product and service upgrades, while consolidating its leading position in the Taiwan market, uphold the vision of "creator of a better home life", take the family as the core, and gradually implement the "HOME in O.N.E" integrated service concept, through multi-brand integration and smart service system, to provide one-stop solutions, so that every family can easily achieve their ideal life, while steadily creating long-term value for shareholders.

Finally, we appreciate all shareholders for your support for the Company. I wish you all the best. Good health and good luck!

Chairman: Yung-Chieh Chang

Chapter 2 Corporate Governance Report

I. Directors and Management Team

(I) Directors :

1. Information Regarding Directors

21 April 2025

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Underage Children Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	UNJ Holding Corp	-	17/06/2022	3	17/06/2022	4,701,000	2.13%	4,701,000	2.13%	-	-	-	-	-	-	-	-	-	-
		Representative: Yung-Chieh Chang	Male 41-50 Years old	17/06/2022	3	04/06/2013	416,493	0.19%	416,493	0.19%	355	0.00%	4,701,000	2.13%	International Relations BA, The University of Southern California (USC). General Manager, Sakura Bath and Kitchen Products (China) Co., Ltd. Special assistant to chairman, Taiwan Sakura Corporation Executive Director of Svago International Corporation	Chief Brand Officer, Taiwan Sakura Corporation Chairman, Sakura Bath and Kitchen Products (China) Co., Ltd. Director, Sakura Shunde Co., Ltd. Director, Sakura Bath and Kitchen Products (Huanan) Co., Ltd. Chairman, Svago International Corporation Director, Sakura Enterprise(B.V.I.) Ltd. Director, Sakura (Cayman) Co., Ltd. Director, Sakura China Holdings (HK) Co., Ltd. Chairman, SAKURA Home Collection Co., Ltd. Chairman, UNJ Holding Corp. Director, Sakura Pan Pacific Holdings (Singapore) Pte. Ltd.	NA	NA	NA	NA
Vice Chairman	R.O.C.	Yuo-Tu Lin	Male 61-70 Years old	17/06/2022	3	27/04/2005	1,654,301	0.75%	1,654,301	0.75%	60	0.00%	-	-	Deputy General Manager of Marketing and Management Division, Taiwan Sakura Corporation General Manager, Taiwan Sakura Corporation	Chief Sustainability Officer, Taiwan Sakura Corporation Director, Sakura Enterprises (B.V.I.) Ltd. Director, Svago International Corporation Director, SAKURA Home Collection Co., Ltd. Director, Mekong Trading Corporation Director, Puda Industrial Co., Ltd.	NA	NA	NA	NA

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Underage Children Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	UNJ Holding Corp	-	17/06/2022	3	17/06/2022	4,701,000	2.13%	4,701,000	2.13%	-	-	-	-	-	-	-	-	-	-
		Representative: Gen-Cheng Wu	Male 61-70 Years old	17/06/2022	3	01/03/2020	-	-	-	-	-	-	-	-	Department of Journalism, Chinese Culture University Senior Deputy General Manager, Want Want China Times Media Group President, China Times Chairman, China Television Company, Ltd. Chairman, China Times Weekly General Manager, Info-times	Chairman, SysJust Media Corporation Independent Director, Mediera Corporation Independent Director, Advancetek Enterprise Development Co., Ltd. Independent Director, China Television Company, Ltd	NA	NA	NA	NA
Director	R.O.C.	Svago International Corporation	-	17/06/2022	3	04/06/2002	2,312,932	1.05%	2,312,932	1.05%	-	-	-	-	-	-	-	-	-	-
		Representative: Hui-Hsun Lee	Male 51-60 Years old	17/06/2022	3	19/01/2018	38,000	0.02%	47,000	0.02%	-	-	-	-	Department of Business Administration, Chung- Yuan Christian University Manager, Consumer Product Business Division, Yuen Foong Yu Paper Mfg. Co., Ltd. Director of Planning Division, Deputy General Manager of Management Planning Division, Taiwan Sakura Corporation	General Manager, Taiwan Sakura Corporation Director, Svago International Corporation Director, SAKURA Home Collection Co., Ltd.	NA	NA	NA	NA
Director	R.O.C.	Svago International Corporation	-	17/06/2022	3	04/06/2002	2,312,932	1.05%	2,312,932	1.05%	-	-	-	-	-	-	-	-	-	-
		Representative: Wen-Su Tsai	Male 61-70 Years old	17/06/2022	3	13/06/2016	12,248	0.01%	130,000	0.06%	5,000	0.00%	-	-	Senior Manager, Ying Chun Co., Ltd. Deputy General Manager, Sales Management Division, Taiwan Sakura Corporation		NA	NA	NA	NA

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Underage Children Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Ko Li Te Investment Co., Ltd.	-	17/06/2022	3	24/06/2019	13,268,176	6.00%	13,268,176	6.00%	-	-	-	-	-	-	-	-	-	-
		Representative: Ching-Wen Chang	Female 41-50 Years old	17/06/2022	3	17/06/2022	93,439	0.04%	93,439	0.04%	-	-	-	-	Department of Business Management, The University of Southern California (USC) Managing director, Management Planning Division, Sakura Bath and Kitchen Products (China) Co., Ltd	Supervisor, Ko Li Te Investment Co., Ltd. Director, An Shih Li, LTD. Chairman, Bounce Pretty Co., Ltd.	Deputy General Manager	Yong- Zheng Chang	Sib- ling	NA
Independent Director	R.O.C.	Jyh-Ren Chen	Male 61-70 Years old	17/06/2022	3	13/06/2016	-	-	-	-	-	-	-	M.B.A., University of Central Oklahoma Manager, Financial Management Department, Globe Union Industrial Corp. Deputy General Manager of Finance and IT Department, Genius Electronic Optical Co., Ltd. COO, King Tony Tools Co., Ltd. (Europe) General Manager, King Tony Tools Co., Ltd.(U.S.)	Consultant, Hong Yi Business Administration Office	NA	NA	NA	NA	

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Underage Children Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Yu-Cheng Chen	Male 61-70 Years old	17/06/2022	3	13/06/2016	-	-	-	-	-	-	-	-	National Cheng Chi University Ph.D., Department of Accounting, Independent Director of Sen Tien Printing Factory Co., Ltd. Independent Director of Grand Bills Finance Corporation Supervisor of Tachia Yung Ho Machine Industry Co., Ltd. Independent Director of DaFon Environmental Technology Co., Ltd. Head of Department of Accounting, Providence University Head of Department of Accounting, National Chung Hsing University Head of Department of Finance, National Chung Hsing University	Remuneration Committee Member, Taiwan Sakura Corporation Professor, Department of Finance, National Chung Hsing University Independent Director, Sunspring Metal Corporation Convener of Audit Committee, Sunspring Metal Corporation Remuneration Committee Member, Sunspring Metal Corporation Independent Director, Sentien Printing Factory Co., Ltd. Audit Committee Member, Sentien Printing Factory Co., Ltd. Convener of Remuneration Committee, Sentien Printing Factory Co., Ltd.	NA	NA	NA	NA
Independent Director	R.O.C.	Ming-Yuan Cheng	Male 51-60 Years old	17/06/2022	3	24/06/2019	-	-	-	-	-	-	-	-	Ph.D., Department of Business Administration, National Chung Cheng University Chairman of Sunko Ink Co. Ltd. Supervisor of Tsang Yow Industrial Co., Ltd. Supervisor of Kuo Ching Chemical Co., Ltd. Deputy General Manager of IBT Securities Co., Ltd. Manager of HSBC Global Asset Management (Taiwan) Limited Lecturer, Department of Finance and Insurance, Shu-Te University of Science and Technology	Remuneration Committee Member, Taiwan Sakura Corporation Assistant Professor (part-time), Department of Accounting, Feng Chia University Chairman, Long Teng Capital Independent Director, Taiwan J Pharmaceuticals Co., Ltd. Remuneration Committee Member, Taiwan J Pharmaceuticals Co., Ltd. Independent director, Chumpower Machinery Corporation Convener of Remuneration Committee, Chumpower Machinery Corporation	NA	NA	NA	NA

Note 1: Where the chairperson of the Board of Directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship: Not applicable.

2. Major shareholders of the institutional shareholders :

21 April 2025

Name of institutional shareholders	Major shareholders
Svago International Corporation	Taiwan Sakura Corporation 100%
Ko Li Te Investment Co., Ltd.	Yong-Zheng Chang 50%, Ching-Wen Chang 49%, Ko Li Te Investment Co., Ltd. (Treasury Shares) 1%
UNJ Holding Corp.	Yung-Chieh Chang 97%, Man-Shi Li 3%

3. Major shareholders of the Company's major institutional shareholders :

21 April 2025

Name of institutional shareholders	Major shareholders
Taiwan Sakura Corporation	<p>Jin Rong Investment Co., Ltd. 6.42%</p> <p>Yuan Chi Investment, Ltd. 6.02%</p> <p>Ko Li Te Investment Co., Ltd. 6.00%</p> <p>Chin Yeh Investment Co., Ltd. 4.98%</p> <p>Taiwan Sakura Corporation Employee Stock Ownership Trust Property Account of CTBC Bank 4.77%</p> <p>Far Eastern International Bank Fiduciary Investment Account of Hong Way Property Co., Ltd. of 4.28%</p> <p>Chia Chun Investment Co., Ltd. 2.40%</p> <p>UNJ Holding Corp. 2.13%</p> <p>Ying Chun Co., Ltd. 1.98%</p> <p>Yuan Jhen Investment Co., Ltd. 1.79%</p>

4. Disclosure of Directors' Professional Qualifications and Independent Directors' Independence

Name	Professional Qualifications and Experience	Independent Status	Number of independent directors of other public companies
UNJ Holding Corp. Representative: Yung-Chieh Chang	<ul style="list-style-type: none"> International Relations BA, The University of Southern California (USC). General Manager of Sakura Bath & Kitchen Products (China) Co., Ltd.; Special assistant to the chairman, Taiwan Sakura Corporation; Chief Executive of Svago International Corporation Industry experience, management and crisis handling ability, international market perspective, leadership and decision-making ability. There are no occurrences under Article 30 of the Company Act. 	Not applicable	0
UNJ Holding Corp. Representative: Gen-Cheng Wu	<ul style="list-style-type: none"> Senior Deputy General Manager of Want Want China Times Media Group Headquarters, President of China Times, Chairman of China Television Company, Ltd, Chairman of China Times Weekly General Manager of Info-times Corporation. Crisis handling ability, leadership and decision-making ability. There are no occurrences under Article 30 of the Company Act. 	Not applicable	3

Name / Conditions	Professional Qualifications and Experience	Independent Status	Number of independent directors of other public companies
Yuo-Tu Lin	<ul style="list-style-type: none"> • Deputy General Manager of Marketing Management Department of Taiwan Sakura Corporation, General Manager, Taiwan Sakura Corporation, and has received awards such as the Outstanding Manager Award for the Central Region, the National Outstanding Manager Award, and the National Outstanding CEO Award. • Industry experience, management and crisis handling ability, international market perspective, leadership and decision-making ability. • There are no occurrences under Article 30 of the Company Act. 	Not applicable	0
Svago International Corporation Representative: Hui-Hsun Lee	<ul style="list-style-type: none"> • Manager, Consumer Product Business Division, Yuen Foong Yu Paper Mfg. Co., Ltd., Director, Planning Division, Taiwan Sakura Corporation, Deputy General Manager, Management Planning Division, Taiwan Sakura Corporation, Executive Deputy General Manager, Taiwan Sakura Corporation, Specializes in business planning and has received awards such as the Outstanding Manager Award for the Central Region and National Management Excellence Award. • Industry experience, management and crisis handling ability, leadership and decision-making ability. • There are no occurrences under Article 30 of the Company Act. 	Not applicable	0
Svago International Corporation Representative: Wen-Su Tsai	<ul style="list-style-type: none"> • Senior Manager, Ying Chun Co., Ltd., Deputy General Manager, Sales Management Division, Taiwan Sakura Corporation Specializes in service and marketing. • Industry experience, management and crisis handling ability, leadership and decision-making ability. • There are no occurrences under Article 30 of the Company Act. 	Not applicable	0
Ko Li Te Investment Co., Ltd. Representative: Ching-Wen Chang	<ul style="list-style-type: none"> • Department of Business Management Department, The University of Southern California (USC), Managing director, Management Planning Division Sakura Bath and Kitchen Products (China) Co., Ltd. • Industry experience, management and crisis handling ability and international market perspective, ability. • There are no occurrences under Article 30 of the Company Act. There are no occurrences under Article 30 of the Company Act. 	Not applicable	0

Name	Professional Qualifications and Experience	Independent Status	Number of independent directors of other public companies
<p>Jyh-Ren Chen Independent Director</p>	<ul style="list-style-type: none"> • Master of Business Administration, University of Oklahoma. • Convener of the Company's Audit Committee. • Manager of the Financial Department, Globe Union Industrial Corp; Deputy General Manager of Finance and IT Division, Genius Electronic Optical (GSEO); Chief Operating Officer, King Tony Group Ltd.; General Manager of King Tony Tools Co. Ltd. • Specialized in financial accounting and corporate governance, high degree of professional corporate governance and management practices, financial information analysis and application capabilities. Extensive experience and strategic planning expertise in company related industries, as well as provide insightful discernment and analysis on industry development. • There are no occurrences under Article 30 of the Company Act. 	<p>The Company meets the independence requirements outlined in “the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p>	<p>0</p>
<p>Yu-Cheng Chen Independent Director</p>	<ul style="list-style-type: none"> • Ph.D., the Department of Accounting, National Cheng Chi University • Member of the Audit Committee of the Company. • Convener of the Company's Compensation Committee. • Head of Department Accounting, Providence University; Head of Department Accounting, National Chung Hsing University; Head of Department of Finance, National Chung Hsing University • Professor, Department of Finance, National Chung Hsing University • Specialized in accounting and financial analysis, business management, and payroll performance management, corporate growth, and related investments, all of which will be extremely beneficial to the company's future operations and financial planning. • There are no occurrences under Article 30 of the Company Act. 	<p>The Company meets the independence requirements outlined in “the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p>	<p>2</p>
<p>Ming-Yuan Cheng Independent Director</p>	<ul style="list-style-type: none"> • Ph.D., Department of Business Administration, National Chung Cheng University • Member of the Company’s Audit Committee • Member of the Company's Remuneration Committee • Chairman of Sunko Ink Co. Ltd.; Deputy General Manager of IBT Securities Co., Ltd.; Manager of HSBC Global Asset Management (Taiwan) Limited; Lecturer, Department of Finance and Insurance, Shu-Te University of Science and Technology • Assistant Professor (part-time), Department of Accounting, Feng Chia University • Specializes in financial accounting, corporate governance and financial insurance, with a high degree of professionalism and operational practice, as well as providing competent insights and suggestions for the company's financial planning and future development • There are no occurrences under Article 30 of the Company Act. 	<p>The Company meets the independence requirements outlined in “the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p>	<p>2</p>

5. Diversity and independence of the Board of Directors

(1) The implementation of the board diversity policy

To strengthen corporate governance and optimize the structure of the Board of Directors, the Company has stipulated in its “Corporate Governance Practice Guidelines” that the composition of the Board should take diversity into consideration. Appropriate diversity policies should be formulated based on the Company’s operations, business model, and development needs. Various aspects of diversity should be evaluated, such as basic attributes and values (including gender, age, nationality, and culture), professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. The Board as a whole should possess capabilities in operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making. The Company’s specific management objectives and achievements regarding board diversity are as follows:

Specific goal of management	
The Board of Directors shall include at least one female director.	Achieve
The number of independent directors shall not be less than one-third of the total number of directors.	Achieve
The consecutive terms of all independent directors shall not exceed three terms.	Achieve

In summary, the Company's current Board of Directors consists of nine directors (including three independent directors), all of whom possess operational judgment, leadership decision-making, business management, international market perspective, crisis management, etc., as well as industry experience and professional capabilities; Among them, those who are good at professional service and marketing are Chairman Yung-Chieh Chang, Director Yuo-Tu Lin, Director Hui-Hsun Lee, Director Wen-Su Tsai and Director Ching-Wen Chang. Independent directors have expertise in accounting, finance, and corporate governance. Independent director Jyh-Ren Chen - serves as Convener of Audit Committee. He has more than 30 years of practical management experience and specializes in financial accounting and corporate governance. He is highly professional in corporate governance and management practices, analysis and application of financial information. He also has extensive experience as well as the professional ability of strategic planning and provides forward-looking insight and analysis on the development of the industry. Yu-Cheng Chen - Independent Director serves as the convener of the company's Remuneration Committee. He is currently a professor in the Department of Finance of National Chung Hsing University. He specializes in financial analysis and business operations and has extensive expertise in compensation and performance management, corporate growth, and related investments, which will benefit the Company's future operations and financial planning. Ming-Yuan Cheng -Independent Director, is also a member of the Company's Remuneration Committee. He was a lecturer in the Department of Finance and Insurance of Shu-Te University and is currently serving as an Assistant Professor in the Department of Accounting at Feng Chia University, specializing in financial accounting, compensation performance management, corporate governance, and financial insurance. He brings a high level of professional knowledge and practical management experience, providing valuable insights and recommendations for the Company’s financial planning and future development.

All members of the Company’s Board of Directors are of Taiwanese nationality, and directors with employee status account for 33% of the board. The age distribution of board members is as follows: 2 members are between 41 and 50 years old, 2 members are between 51 and 60 years old, and 5 members are between 61 and 70 years old. The Company has one female director, representing 11% of the board. In the past, the selection of directors has primarily focused on professional qualifications and experience rather than gender. In the future, the Company will actively seek female professionals with industry experience to be included in the list of director candidates in order to increase the proportion of female directors.

The current status and implementation of the company's diversity policy for the Board of Directors are as follows:

Diversity Core Item Name of Directors	Basic composition						Industrial experience			Professional knowledge/skills								
	Nationality	Gender	Concurrent position in the company	Age			Tenure of Independent Director		Professional Services and Marketing	Finance and Banking	Commerce and Supply	Operational evaluation	Accounting and financial analysis capabilities	Management capabilities	Crisis management capabilities	Industrial knowledge capability	Global market perspective	Leadership Decision Making capabilities
				41 to 50	51 to 60	61 to 70	4-6 years	7-9 years										
UNJ Holding Corp. Representative: Yung-Chieh Chang	ROC	Male		✓					✓	✓	✓	○	✓	✓	✓	✓	✓	
UNJ Holding Corp. Representative: Gen-Cheng Wu	ROC	Male				✓			○	○	○	○	✓	✓			✓	
Yuo-Tu Lin	ROC	Male	✓			✓			✓	✓	✓	○	✓	✓	✓	○	✓	
Svago International Corporation Representative: Hui-Hsun Lee	ROC	Male	✓		✓				✓	✓	✓	○	✓	✓	✓	○	✓	
Svago International Corporation Representative: Wen-Su Tsai	ROC	Male	✓			✓			✓	○	✓	○	✓	✓	✓	○	✓	
Ko Li Te Investment Co.,Ltd. Representative: Ching-Wen Chang	ROC	Female		✓					✓	○	✓	○	✓	○	✓	✓	○	
Jyh-Ren Chen Independent Director	ROC	Male				✓		✓	✓	✓	✓	✓	✓	○	○	✓	○	
Yu-Cheng Chen Independent Director	ROC	Male				✓		✓	✓			✓	✓					
Ming-Yuan Cheng Independent Director	ROC	Male			✓		✓		✓			✓	✓					

Note: ✓ : full capability; ○ : partial capability

(2) Independence of the Board of Directors. :

The current Board of Directors of our company consists of 9 members, among whom 3 are independent directors, accounting for 33% of the total. One independent director has served for 6 years, while two have served for 9 years, and the continuous term of each independent director does not exceed 3 terms. All independent directors have provided independence statements in accordance with the “Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies” when they were nominated as candidates for independent directors, confirming their independence and that of their specified relatives relative to the company. Moreover, there are no spousal or second-degree kinship relationships among any of our directors, which is in compliance with Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act.

(II) Information on the General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments and Branch Offices

21 April 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Brand Officer	R.O.C.	Yung-Chieh Chang	Male	01/01/2025	416,493	0.19%	355	0.00%	4,701,000	2.13%	International Relations BA, The University of Southern California (USC). General Manager, Sakura Bath and Kitchen Products (China) Co., Ltd. Special assistant to chairman, Taiwan Sakura Corporation Executive Director of Svago International Corporation	Chairman, Sakura Bath and Kitchen Products (China) Co., Ltd. Director, Sakura Shunde Co., Ltd. Director, Sakura Bath and Kitchen Products (Huanan) Co., Ltd. Chairman, Svago International Corporation Director, Sakura Enterprise (B.V.I.) Ltd. Director, Sakura (Cayman) Co., Ltd. Director, Sakura China Holdings (HK) Co., Ltd. Chairman, SAKURA Home Collection Co., Ltd. Chairman, UNJ Holding Corp. Director, Sakura Pan Pacific Holdings (Singapore) Pte. Ltd.	NA	NA	NA	NA
Chief Sustainability officer	R.O.C.	You-Tu Lin	Male	01/01/2025	1,654,301	0.75%	60	0.00%	-	-	Deputy General Manager of Marketing and Management Division, Taiwan Sakura Corporation General Manager, Taiwan Sakura Corporation	Director, Sakura Enterprises (B.V.I.) Ltd. Director, Svago International Corporation Director, SAKURA Home Collection Co., Ltd. Director, Mekong Trading Corporation Director, Puda Industrial Co., Ltd.	NA	NA	NA	NA
General Manager	R.O.C.	Hui-Hsun Lee	Male	01/07/2023	47,000	0.02%	-	-	-	-	Department of Business Administration, Chung-Yuan Christian University Manager, Consumer Product Business Division, Yuen Foong Yu Paper Mfg. Co., Ltd. Director of Planning Division, Taiwan Sakura Corporation Deputy General Manager of Management Planning Division, Taiwan Sakura Corporation	Director, Puda Industrial Co., Ltd. Director, Svago International Corporation Director, SAKURA Home Collection Co., Ltd.	NA	NA	NA	NA
Deputy General Manager, Sales Management Division	R.O.C.	Tai-Chen Chen	Male	01/08/2023	8,656	0.00%	-	-	-	-	Graduate Institute of Business Administration, California State University Deputy General Managers, Svago International Corporation	NA	NA	NA	NA	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note1)	
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
Deputy General Manager, Manufacturing Management Division and Research & Development Center	R.O.C.	Yih-Yuan Hsu	Male	17/02/2014	-	-	-	-	-	-	Master of Engineering, Department of Chemical Engineering, National Taiwan University of Science and Technology Factory Director, Ichia Technologies, Inc. QC/QA Supervisor, Ford Lio Ho Motor Co., Ltd.	NA	NA	NA	NA	NA	
Deputy General Manager, Integrated Kitchen Business Division	R.O.C.	Lien-Fa Chen	Male	01/08/2023	105	0.00%	10,000	0.00%	-	-	Director of the Kitchen Business Division, Taiwan Sakura Corporation	NA	NA	NA	NA	NA	
Group Chief Investment Officer and Spokesperson	R.O.C.	Hung-Chi Lai	Male	01/09/2021	-	-	-	-	-	-	Institute of Executive Management, National Chiao Tung University Financial Manager, Sakura Development Co., Ltd. Chief Financial Officer, Taiwan Sakura Corporation Deputy General Manager, Sakura Bath and Kitchen Products (China) Co., Ltd.	Supervisor, Svago International Corporation Supervisor, Sakura Bath and Kitchen Products (China) Co., Ltd. Supervisor, Sakura Shunde Co., Ltd. Director, Sakura Bath and Kitchen Products (Huanan) Co., Ltd. Supervisor, Puda Industrial Co., Ltd.	NA	NA	NA	NA	NA
Deputy General Manager, Overseas Business Division	R.O.C.	Yong-Zheng Chang	Male	10/01/2023	67,853	0.03%	7,000	0.00%	-	-	Department of Business Administration, California State Polytechnic University, Pomona CEO, Sakura Bath and Kitchen Products (China) Co., Ltd. Deputy General Manager, Sakura Bath and Kitchen Products (China) Co., Ltd.	Director, Sakura Bath and Kitchen Products (China) Co., Ltd. Director, Sakura Shunde Co., Ltd. Director, Mekong Trading Corporation Chairman, Ko Li Te Investment Co., Ltd.	NA	NA	NA	NA	NA
Director, Imported Business Division	R.O.C.	Guang-Fei Luo	Male	01/07/2024	57,242	0.03%	-	-	-	-	Graduate Institute of Business Administration, Chao Yang University of Technology Director, Business Division, Import Division, Taiwan Sakura Corporation	NA	NA	NA	NA	NA	
Senior Manager, Brand Management Division	R.O.C.	Shu-Chen Teng	Female	15/04/2024	-	-	-	-	-	-	Department of Commercial Design, Chung Yuan University Marketing Manager, Grey Advertising Co., Ltd. Assistant Director, J. Walter Thompson (Taiwan) Ltd. Marketing Director, Toplan Marketing Co., Ltd.	NA	NA	NA	NA	NA	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Senior Manager, Product Management Division	R.O.C.	Wen-I Chen	Male	15/04/2024	-	-	-	-	-	-	EMBA, Feng Chia University Senior Manager, Research & Development Center, Taiwan Sakura Corporation	NA	NA	NA	NA	NA
Senior Manager, Service Management Division	R.O.C	Jin-Hui Zhong	Female	01/10/2022	-	-	-	-	-	-	Department of Leisure and Recreation Business Management, National Taichung University of Science and Technology Junior Manager, TeleXpress Corp Deputy Manager, Havas Field Force Taiwan Ltd.	NA	NA	NA	NA	NA
Senior Manager, Digital Application Division and Information Security Officer	R.O.C.	Yueh-Tiann Tsai	Female	15/07/2014	-	-	-	-	-	-	Master's Degree, Department of Accounting and Information Technology, National Chung Cheng University Special Assistance to General Manager, Keyarrow Co., Ltd. Deputy General Manager, IT Division, VeeTime Corp. Deputy General Manager, Performax Co. Ltd. Manager, IT Division and Marketing Division, Mobiletron Electronics Co., Ltd	NA	NA	NA	NA	NA
Senior Manager, Business Planning Division	R.O.C	Ciou-Yu Lee	Female	01/05/2024	-	-	-	-	-	-	Graduate Institute of Industrial Economics, National Central University Investment Analyst, New Business Division, Long Bon International Co., Ltd.	NA	NA	NA	NA	NA
Senior Finance Manager and Head of Corporate Governance	R.O.C.	Hsiu-Chi Chan	Female	01/04/2021	-	-	-	-	-	-	Financial Coordinator, Taiwan Sakura Corporation	Financial Supervisor, Svago International Corporation Financial Supervisor, SAKURA Home Collection Co., Ltd. Financial Supervisor, Sakura Enterprises (B.V.I) Ltd Financial Supervisor, Sakura Pan Pacific Holdings (Singapore) Pte. Ltd Supervisor, Mekong Trading Corporation	NA	NA	NA	NA

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Manager, Human Resource Division	R.O.C.	Wan-Ju Liao	Female	11/04/2018	-	-	-	-	-	-	MBA, Institute of Human Resource Management, National Sun Yat-Sen University HR Specialist, Chiao Fu Enterprise Co., Ltd.	NA	NA	NA	NA	NA
Manager, Internal Auditing Division	R.O.C.	Yun-Jhong Lai	Male	01/01/2025	-	-	-	-	-	-	Department of Finance, I-SHOU University Assistant Manager, Audit Office, Taiwan Sakura Corporation Manager, Internal Audit Division, Sakura Bath and Kitchen Products (China) Co., Ltd.	NA	NA	NA	NA	NA

II. Remuneration of Directors, General Manager, and Deputy General Manager

(I) Remuneration of Directors and Independent Directors of 2024

Unit : NT\$ thousands

Title	Name	Remuneration of Directors								Ratio of A+B+C+D to Net Income		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation Paid to Directors from an Invested Company or Parent Company Other than the Company's Subsidiary		
		Base Compensation (A)		Retirement Pension (B)		Directors' Remuneration (C) (Note 1)		Allowances (D)				Salary, Bonus and Allowances (E)		Retirement Pension (F)		Profit Sharing- Employee Bonus (G) (Note 2)								
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements			The Company	All Companies in the Consolidated Financial Statements
																		Cash	Stock	Cash	Stock			
Corporate Director	UNJ Holding Corp	-	-	-	-	22,254	22,254	-	-	22,254	22,254	-	-	-	-	-	-	-	-	22,254	22,254	1.71%	1.71%	None
Chairman	Yung-Chieh Chang (Note 1)	16,582	16,582	-	-	-	-	480	480	17,062	17,062	-	-	-	-	-	-	-	-	17,062	17,062	1.31%	1.31%	None
Director	Svago International Corporation																							
Director	Ko Li Te Investment Co., Ltd.																							
Vice Chairman	Yuo-Tu Lin																							
Director	Gen-Cheng Wu(Note 1)	-	-	-	-	9,845	9,845	2,400	2,400	12,245	12,245	32,873	35,818	243	243	-	-	-	-	45,361	48,306	3.49%	3.71%	None
Director	Hui-Hsun Lee (Note 2)																							
Director	Wen-Su Tsai (Note 2)																							
Director	Ching-Wen Chang (Note 3)																							
Independent Director	Jyh-Ren Chen																							
Independent Director	Yu-Cheng Chen	300	300	-	-	-	-	1,318	1,318	1,618	1,618	-	-	-	-	-	-	-	-	1,618	1,618	0.12%	0.12%	None
Independent Director	Ming-Yuan Cheng																							

1. Describe the policy, system, standards and structure for the remuneration of independent directors, and the relevance of the amount of to the responsibilities, risks and time commitment of the directors. Pursuant to Article 17 of the Company's Art of Incorporation, the remuneration of the Chairman of the Board of Directors shall be 1.5 times the remuneration of the General Manager; the remuneration of the Vice Chairman shall be based on the remuneration of the General Manager; an remuneration of the other Directors shall be based on the remuneration of the executive officers, regardless of operating profit or loss. According to Article 20 of the Company's Articles of Incorporation, if the Company earns a profit (before tax and before distribution of employee compensation and directors' remuneration), 2% to 8% of the annual profit shall be appropriated as employee compensation and no more than 5% is used as directors' remuneration. The allocation of director's remuneration in our company is determined based on the supervision, management, and level of actual participation of each director in the company's operations. Therefore, the remuneration of the Company's directors is based on their individual performance, the Company's operational performance and future operational risks and should be reasonable.

2. In addition to the above table, the remuneration received by the directors of the Company for services rendered to all entities listed in the financial statements (such as consultants who are not employees): None.

Note 1: Yung-Chieh Chang and Gen-Cheng Wu serve as corporate representatives of UNJ Holding Corp.

Note 2: Hui-Hsun Lee and Wen-Shu Tsai serve as corporate representatives of Svago International Corporation.

Note 3: Ching-Wen Chang serves as the corporate representative of Ko Li Te Investment Co., Ltd.

Note 4: For fiscal year 2024, the total amount of directors' remuneration resolved by the Board of Directors is NT\$32,099 thousand. As the individual allocation amounts have not yet been proposed, the estimated amounts are based on the actual allocation for fiscal year 2023.

Note 5: For fiscal year 2024, the total amount of employees' remuneration resolved by the Board of Directors is NT\$50,682 thousand. As the individual allocation amounts have not yet been proposed, the estimated amounts are based on the actual allocation for fiscal year 2023.

Range of Director's Remuneration Scale

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements
Under NT\$ 1,000,000	Jyh-Ren Chen、Yu-Cheng Chen、Ming-Yuan Cheng、Gen-Cheng Wu、Ching-Wen Chang、Hui-Hsun Lee、Wen-Su Tsai	Jyh-Ren Chen、Yu-Cheng Chen、Ming-Yuan Cheng、Gen-Cheng Wu、Ching-Wen Chang、Hui-Hsun Lee、Wen-Su Tsai	Jyh-Ren Chen、Yu-Cheng Chen、Ming-Yuan Cheng、Gen-Cheng Wu、Ching-Wen Chang、Wen-Su Tsai	Jyh-Ren Chen、Yu-Cheng Chen、Ming-Yuan Cheng、Gen-Cheng Wu、Ching-Wen Chang、Wen-Su Tsai
NT\$1,000,000 ~ NT\$1,999,999	Ko Li Te Investment Co., Ltd.	Ko Li Te Investment Co., Ltd.	Ko Li Te Investment Co., Ltd.	Ko Li Te Investment Co., Ltd.
NT\$2,000,000 ~ NT\$3,499,999	-	-	-	-
NT\$3,500,000 ~ NT\$5,999,999	Svago International Corporation、Yuo-Tu Lin	Svago International Corporation、Yuo-Tu Lin	Svago International Corporation	Svago International Corporation
NT\$5,000,000 ~ NT\$9,999,999	-	-	-	-
NT\$10,000,000 ~ NT\$14,999,999	-	-	-	-
NT\$15,000,000 ~ NT\$29,999,999	UNJ Holding Corp、Yung-Chieh Chang	UNJ Holding Corp、Yung-Chieh Chang	UNJ Holding Corp、Yung-Chieh Chang、Yuo-Tu Lin、Hui-Hsun Lee	UNJ Holding Corp、Yung-Chieh Chang、Yuo-Tu Lin、Hui-Hsun Lee
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~NT\$99,999,999	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	12	12	12	12

* The remuneration disclosed in this form is different from that required by the income tax law. Therefore, the purpose of this form is for information disclosure and is not intended for taxation purposes.

(II) Remuneration of General Manager and Deputy General Managers of 2023

Unit: NT\$ thousands

Title	Name	Salary (A) (Note 1)		Retirement Pension (B)		Bonus and Allowances (C) (Note 2)		Profit Sharing- Employee Bonus (D) (Note 3)				Ratio of Total Compensation (A+B+C+D) to Net Income		Compensation Paid to the President and Deputy General Manager from an Invested Company Other than the Company's Subsidiary
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company		All Companies in the Consolidated Financial Statements		The Company	All Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Hui-Hsun Lee	13,642	13,642	625	625	29,100	29,635	2,250	-	2,250	-	45,617 3.51%	46,152 3.55%	None
Deputy General Manager, Manufacturing Management Division and Research & Development Center	Yih-Yuan Hsu													
Deputy General Manager, Sales Management Division	Tai-Chen Chen													
Deputy General Manager, Integrated Kitchen Business Division	Lien-Fa Chen													
Deputy General Manager, Overseas Business Division	Yong-Zheng Chang													
Group Chief Investment Officer and Spokesperson	Hung-Chi Lai													

Note 1: Fill in the salary, allowance, and severance pay of the president and vice presidents in the most recent year.

Note 2: Bonus and Allowances refer to all payments to the president and vice presidents, including salary, allowance, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, dormitory, and car, among other supplies in kind. Salary expenses including employee stock options, restricted stock awards, and share subscription in cash capital increase recognized in accordance with IFRS 2 Share-based Payment shall all be calculated as remuneration.

Note 3: The total amount allocated for employee's compensation for the fiscal year 2024 is \$50,682 thousands. The individual distribution amounts are yet to be proposed, so they are estimated based on the actual distribution of employee's compensation in the fiscal year 2023.

Note 4: If there are any changes in position during the year, the above table only calculates the remuneration for the periods served as President and Deputy General Manager.

Range of General Manager 's and Deputy General Managers' Remuneration Scale

Range of Remuneration	Name of General Manager and Deputy General Manager	
	The Company	All Companies in the Consolidated Financial Statements
Under NT\$ 1,000,000		
NT\$1,000,000 ~ NT\$1,999,999		
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4,999,999	Hung-Chi Lai	Hung-Chi Lai
NT\$5,000,000 ~ NT\$9,999,999	Yih-Yuan Hsu 、 Tai-Chen Chen 、 Lien-Fa Chen 、 Yong-Zheng Chang	Yih-Yuan Hsu 、 Tai-Chen Chen 、 Lien-Fa Chen 、 Yong-Zheng Chang
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999	Hui-Hsun Lee	Hui-Hsun Lee
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
Over NT\$100,000,000		
Total	6	6

◆ The remuneration disclosed in this form is different from that required by the income tax law. Therefore, the purpose of this form is for information disclosure and is not intended for taxation purposes.

(III) Names of managerial officers who received employees' bonuses in the preceding year and distribution

	Title	Name	Employee Bonus in Stock	Employee Bonus in Cash (Note 1)	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	General Manager	Hui-Hsun Lee	0	4,855	4,855	0.37%
	Deputy General Manager, Sales Management Division	Tai-Chen Chen				
	Deputy General Manager, Manufacturing Management Division and Research & Development Center	Yih-Yuan Hsu				
	Deputy General Manager, Integrated Kitchen Business Division	Lien-Fa Chen				
	Group Chief Investment Officer and Spokesperson	Hung-Chi Lai				
	Deputy General Manager, Overseas Business Division	Yong-Zheng Chang				
	Director, Imported Business Division	Guang-Fei Luo				
	Senior Manager, Brand Management Division	Shu-Chen Teng				
	Senior Manager, Product Management Division	Wen-I Chen				
	Senior Manager, Service Management Division	Jin-Hui Zhong				
	Senior Manager, Digital Application and Information Security Division	Yueh-Tiann Tsai				
	Senior Manager, Business Planning Division	Ciou-Yu Lee				
	Senior Finance Manager and Head of Corporate Governance	Hsiu- Chi Chan				
	Manager, Human Resource Division	Wan-Ju Liao				
Senior Manager, Internal Audit Division	Chiao-Ho Chen					

Note1 : The total amount of employee's compensation allocated by the Board of Directors for 2024 is NT\$50,682 thousands. The individual distribution amounts have not been proposed yet, therefore an estimate is provisionally recorded based on the actual distribution of employee's compensation for 2023.

Note 2: The Senior Manager of Internal Audit Division, Chiao-Ho Chen retired on December 31, 2024.

(IV) The following is a comparison and analysis of the total remuneration paid to the directors, President, and Deputy General Manager of our company and all subsidiary companies included in the consolidated financial statements over the past two fiscal years as a percentage of the individual financial statements' after-tax net income. Additionally, it explains the policies, standards, and composition of remuneration, the procedures for setting remuneration, and the relationship with operational performance and future risks.

1. The ratio of total remuneration to net income paid to directors, supervisors, president, and vice presidents of the Company in the two most recent fiscal years:

Item	The Company				All Companies in the Consolidated Financial Statements			
	2024		2023		2024		2023	
	total amount	proportion of net profit after tax	total amount	proportion of net profit after tax	total amount	proportion of net profit after tax	total amount	proportion of net profit after tax
Directors' remuneration	53,179	4.09%	42,205	3.94%	53,179	4.09%	42,205	3.94%
General Manager's and Deputy General Managers' remuneration	45,617	3.51%	54,311	5.07%	46,152	3.55%	55,918	5.22%

2. The policy and standard of paying remuneration, the procedures of combining and determining remuneration, and the relationship between business performance and future risks:

- (1) The director's remuneration of the company, except for the reimbursement of directors' transportation expenses, is authorized by the provisions of Article 17 of the company's bylaws. Director's remuneration is determined by the Board of Directors based on customary industry standards. The remuneration of the Chairman of the Board is 1.5 times the remuneration of the Presidents; the remuneration of the Vice Chairman of the Board is based on the remuneration of the Presidents; and the remuneration of other directors is based on the remuneration of managerial-level executives. Furthermore, according to Article 20 of the company's bylaws, if the company generates profits in a fiscal year, it should allocate director's remuneration up to 5% of the profits. The distribution of director's remuneration takes into account the directors' supervision, management, actual participation in the company's operations, the risks they assume, and their contributions to the company. It is subject to review by the Remuneration Committee.
- (2) The executive remuneration of the company is determined based on the Salary Management Regulations, which specify various allowances and bonuses for different job responsibilities. Furthermore, according to Article 20 of Articles of Incorporation, if the company generates profits in a fiscal year, it should allocate 2% to 8% of the profits as employee's compensation. The distribution of employee's compensation takes into account factors such as employee tenure, job level, performance evaluations, and other considerations. The disbursement of various bonuses is based on the company's annual business performance, operational conditions, achievement of business unit targets, individual performance accomplishments, and individual performance evaluations. The reasonableness of executive performance and remuneration is also subject to regular review and submission to the Remuneration Committee for deliberation.
- (3) Relationship with operational performance and future risks:
The remuneration paid to directors and managerial personnel in our company is determined by the Remuneration Committee based on their qualifications, level of contribution to the company, and operational performance. The committee also considers industry standards and factors such as potential operational risks, transaction risks, and financial risks that the company may face in the future. The remuneration is established and administered according to relevant management regulations. The Remuneration Committee convenes at least once a year to review the performance evaluations of directors and managerial personnel, as well as the policies, systems, standards, and structure of remuneration. It assesses and establishes the remuneration for directors and managerial personnel and presents recommendations to the Board of Directors for discussion. This ensures that significant future risks are not incurred.

III. Implementation of Corporate Governance

(I) Board of Directors

A total of 6 (A) board meetings were held in 2024. The attendance of directors and supervisors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Chairman	UNJ Holding Corp Representative: Yung-Chieh Chang	5	1	83.33%	
Director	UNJ Holding Corp Representative: Gen-Cheng Wu	5	1	83.33%	
Director	Yuo-Tu Lin	6	0	100%	
Director	Svago International Corporation Representative: Hui-Hsun Lee	6	0	100%	
Director	Svago International Corporation Representative: Wen-Su Tsai	6	0	100%	
Director	Ko Li Te Investment Co., Ltd. Representative: Ching-Wen Chang	6	0	100%	
Independent Director	Jyh-Ren Chen	6	0	100%	
Independent Director	Yu-Cheng Chen	6	0	100%	
Independent Director	Ming-Yuan Cheng	6	0	100%	

Other items to be disclosed:

- I. In the event of the following occurrences, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response thereto should be specified:
 - (I) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has set up an Audit Committee. Articles 14-3 of the Securities and Exchange Act does not apply. Please refer to the Audit Committee Operation section of the annual report.
 - (II) In addition to the above matters, resolutions of the board meetings for which independent directors expressed objection or held reservation and are recorded or presented in writing: None.
- II. With respect to directors excusing themselves in the case of conflict of interest, the directors' names, contents of motion, reasons for conflict of interest and votes should be specified:

Date Session	Proposal	Name of the Director Who Was Excused	The Reasons for the Excuse and the Participation in the Voting	Resolution
4 January 2024 13-10	Revising the contract for the Vice Chairman of the company.	Yuo-Tu Lin	The stakeholder was excused from the discussion and voting	Pursuant to the law, the concerning party was excused from the discussion and voting; the attending directors concurred.
13 March 2024 13-11	The Company's 2023 variable year-end bonus for the Chairman.	Yung-Chieh Chang	The stakeholder was excused from the discussion and voting	Pursuant to the law, the concerning party was excused from the discussion and voting; the attending directors concurred.
	The Company's 2023 variable year-end bonus for the Deputy Chairman.	Yuo-Tu Lin		
11 November 2024 13-14	Proposal for the Establishment of Chief Brand Officer	Yung-Chieh Chang	The stakeholder was excused from the discussion and voting	Pursuant to the law, the concerning party was excused from the discussion and voting; the attending directors concurred.
	Proposal for the Establishment of Chief Sustainability Officer	Yuo-Tu Lin		

III. Implementation of Evaluations of the Board of Directors:

Cycle	Period	Scope	Method	Content
Once annually	From 1 January 2024 to 31 December 2024	The Board of Directors' performance evaluation	The Board of Directors' performance evaluation is conducted through an internal questionnaire for self-assessment within the Board of Directors.	<ol style="list-style-type: none"> Level of participation in company operations Enhancing the quality of Board decision-making Composition and structure of the Board of Directors Director appointment and continuous education Internal controls
		Individual director performance evaluation	The Board of Directors' performance evaluation is conducted through an internal questionnaire for self-assessment within the Board of Directors.	<ol style="list-style-type: none"> Understanding of company goals and missions Awareness of director responsibilities Level of participation in company operations Internal relationship management and communication Director's expertise and continuous education Internal controls

		Performance evaluation of Audit Committee and Remuneration Committee	The Board of Directors' performance evaluation is conducted through an internal questionnaire for self-assessment within the Board of Directors.	<ol style="list-style-type: none"> 1. Level of participation in company operations 2. Awareness of functional committee responsibilities 3. Enhancing the quality of functional committee decision-making 4. Composition and appointment of functional committee members 5. Internal controls
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The performance evaluation results of the Board of Directors, individual directors, Audit Committee, and Remuneration Committee for the year 2024 were all excellent. The evaluation results have been submitted to the respective entities, with the Board of Directors on 11 March 2025, the Audit Committee on 11 March 2025, and the Remuneration Committee on 11 March 2025. These evaluation results have also been disclosed on the company's website for reference by investors

IV. Measures taken to strengthen the functionality of the board of the current periods and execution status assessment:

In addition to enacting the Rules and Procedures for Board of Directors in accordance with Regulations Governing Procedure for Board of Directors Meetings of Public Companies, the Company has set up independent directors and established the Audit Committee to complete the structure of the Board of Directors, in the meantime improving the audit supervision functions and strengthening the management functions, which operates pursuant to relevant laws and regulations of the competent authorities, to simultaneously execute and supervise the functions properly.

(I) The structure of the Board of Directors

The Board members are diversified and meet the demand for developing the Company. The Directors and Independent Directors are all experienced and well-educated, enabling the Board to make operating decisions, lead and supervise.

The Rules and Procedures for Board of Directors specify that the Company shall adopt the cumulative voting system and the candidate nomination system with respect to the elections of directors and independent directors, where the shareholders who hold a certain amount of shares may nominate a candidate. The procedures are conducted fair and square, to improve the involvement of minority shareholders and secure the rights of investors while simultaneously avoiding nomination monopoly and over-nomination. Moreover, the Board emphasizes independence and transparency. Every director and independent director is a separate individual exercising his or her own powers. The Company establishes performance evaluation system of the Board of Directors to enhance the operating efficiency of the Board. Pursuant to the Operating Procedures of Evaluation of the Board of Directors and the Functional Committee, the Company conducts internal self-evaluation of the Board and self-evaluation of the Board of Directors once a year. The shareholding of directors, the restrictions on share transfer, details of pledge and other information are disclosed on MOPS for public access.

(II) Audit Committee

The Audit Committee was established in our company in 2019. It meets at least once every quarter and is responsible for ensuring appropriate financial reporting, selecting (appointing) and evaluating auditors' independence and performance, overseeing the effective implementation of internal controls, ensuring compliance with relevant laws and regulations, and managing existing or potential risks. The committee is dedicated to effectively supervising the implementation of internal controls and the preparation of financial statements.

(III) Remuneration Committee

The Remuneration Committee was established in our company in 2011. It is responsible for formulating and periodically reviewing policies, systems, standards, and structures related to the annual and long-term performance goals and remuneration of directors and managerial personnel. The committee regularly evaluates the achievement of performance goals by directors and managerial personnel and determines the content and amount of individual remuneration. With a professional and objective position, the committee assesses matters related to remuneration of directors and managerial personnel and provides recommendations to the Board of Directors for decision-making purposes.

(IV) Improvement of information transparency

The Company has formulated and approved the “Internal Material Information Handling and the prevention of insider trading procedures” by the Board of Directors. The financial information, major resolutions, attendance of the Board of Directors, courses taken by the directors and other information are duly disclosed on the MOPS. The financial and business information is also available on the official corporate website for timely information for the investors.

(V) Strengthened corporate governance

To strengthen corporate governance and improve risk management, the Company established “Code of Ethical Conduct”, “Corporate Governance Best-Practice Principle”, “Risk and Opportunities Management Approach” and “Crisis Management Approach” to establish a risk management mechanism for early detection, accurate measurement, effective monitoring, and strict control to prevent potential losses within the tolerable risk range, as well as in response to changes in internal and external environments. Continuously adjust and improve best practices in risk management to protect the interests of employees, shareholders, partners and customers, increase company value, and achieve the optimal principle of company resource allocation.

(II) The operation information of the Audit Committee

1. The Audit Committee of the Company consists of three independent directors whose primary responsibility is to assist the Board of Directors in supervising the following areas:
 - (1) The accurate reporting of the Company's financial statements
 - (2) The selection (dismissal), independence and performance of CPAs.
 - (3) The effective implementation of the Company's internal control.
 - (4) The Company complies with relevant laws and regulations
 - (5) The control of the existing or potential risks of the company.
2. The audit matters mainly include:
 - (1) Adoption or amendment of an internal control system.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) To formulate or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending funds to others, and endorsement or provision of guarantees to others.
 - (4) A matter bearing on the personal interest of a director.
 - (5) A material asset or derivatives transaction.
 - (6) A material monetary loan, endorsement, or provision of guarantee.
 - (7) The offering, issuance, or private placement of any equity-type securities.
 - (8) The hiring or dismissal of an attesting CPA, or the compensation given there to.
 - (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
 - (10) Annual financial reports and second quarter financial reports that must be audited and at-tested by a CPA, which are signed or sealed by the chairperson, managerial and accounting officer.
 - (11) The operating report and the surplus distribution or loss compensation proposal.
 - (12) Other significant circumstances as required by the Company or the competent authorities.

Review of Annual Financial Report.

The Board of Directors has prepared the Company's 2024 annual business report, financial statements and earnings distribution plan, among which the financial statements have been audited and completed by EY, and an audit report has been issued. The Audit Committee reviewed the above-mentioned business report, financial statements, and earnings distribution case and found no discrepancies.

Assessment of the Effectiveness of Internal Control System.

The Audit Committee evaluated the effectiveness of the policies and procedures of the Company's internal control system (including sales, procurement, production, personnel, finance, information security, legal compliance, and other control measures), and supervised the operation of the Company's internal audit unit and reviewed the results of the internal control self-assessment. The Audit Committee acknowledged that the Company's internal control system was effective.

3. A total of 5 (A) meetings of the Audit Committee were held in 2024. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Independent Director	Jyh-Ren Chen	4	1	80%	
Independent Director	Yu-Cheng Chen	5	0	100%	
Independent Director	Ming-Yuan Cheng	5	0	100%	

Other items to be disclosed:

- I. In the event of the following occurrences, the dates of the meetings, sessions, contents of motion, the resolution and the Company's response thereto should be specified:

(I) Items listed in Article 14-5 of the Securities and Exchange Act

Date Session	Proposal	The Company's response to the Audit Committee's recommendation
13 March 2024 2-9	<ol style="list-style-type: none"> 1. Strategic investment to promote the development of the home furnishing business. 2. Installation of automated panel processing equipment for the new Wufeng Factory. 3. Statement on Internal Control System for the year 2023. 4. Audit report for the fourth quarter of 2023. 5. 2023 annual business report and financial statements. 6. 2023 earnings distribution. 7. Endorsement and guarantee renewal by the Company for Sakura Home Interior Decoration Co., Ltd.'s application for a short-term credit loan facility with Hua Nan Bank, North Taichung Branch. 8. Assessment of the independence and competence of the certified public accountants for 2024, and engagement remuneration. 	Approved by all Directors present without objection.

	<ol style="list-style-type: none"> 9. Advance approval for non-assurance services to be provided by Ernst & Young and its affiliates in 2024. 10. Amendments to internal regulations: "Rules of Procedure for Shareholders' Meetings," "Authority Approval Management Rules," and "Information Security Management Guidelines." 	
07 May 2024 2-10	<ol style="list-style-type: none"> 1. Audit Report for the first quarter of 2024. 2. Financial Report for the first quarter of 2024. 3. Discussion on SAKURA Home Collection Co., Ltd.'s application for a short-term credit loan facility from FuBon Bank, Shizhang Branch, with the Company committed to providing endorsement/ guarantee for the renewal. 	Approved by all Directors present without objection.
07 August 2024 2-11	<ol style="list-style-type: none"> 1. Audit Report for the second quarter of 2024. 2. Financial Report for the second quarter of 2024. 3. Discussion on SAKURA Home Collection Co., Ltd.'s application for a short-term credit loan facility from CTBC Bank, Shizhang Branch, with the Company committed to providing endorsement/ guarantee for the renewal. 4. Revision of internal regulations: "Internal Audit Implementation Procedures" and "Service Policy White Paper". 	Approved by all Directors present without objection.
11 November 2024 2-12	<ol style="list-style-type: none"> 1. Financial Report for the third quarter of 2024 2. Revision of internal regulations: "Procedures for Handling Material Internal Information and Prevention of Insider Trading," "Rules for Performance Evaluation of the Board of Directors and Functional Committees," "Procedures for Supervision of Subsidiaries and Affiliates," and "Guidelines for Technology Transfer". 	Approved by all Directors present without objection.
18 December 2024 2-13	<ol style="list-style-type: none"> 1. Issuance of Employee Restricted Stock 2. Change in internal audit manager 3. Audit Report for the third quarter of 2024 4. Internal annual audit plan for 2025 	Approved by all Directors present without objection.

(II) In addition to the above matters, matters resolved by over two-thirds of the Board of Directors but not yet resolved by the Audit Committee: None.

II. With respect to independent directors excusing themselves in the case of conflict of interest, the independent directors' names, contents of motion, reasons for conflict of interest and votes should be specified: None.

III. Communications between the independent directors, the Company's chief internal auditor and certified public accountants (CPAs)

(I) The Audit Committee serves as a communicate channel for independent directors and internal auditor to communicate with the Board of Directors. Internal auditor report to the Independent Directors at Audit Committee meetings on a frequent basis (at least four times a year) and consult with committee members about the results of audit reports and the status of implementation of follow-up report. No such urgency took place in 2024. The communication channel between the Audit Committee and the internal auditor has been functioning well.

(II) The Audit Committee serves as a communicate channel for communicate between independent directors and CPAs. The CPAs provides explanations to the independent directors in the Audit Committee on a quarterly basis regarding the results of audits or reviews of the financial statements, and communicates with the independent directors regarding whether there are any adjustments to the financial statements or amendments to laws and regulations that affect the presentation of the company's accounts. No such urgency took place in 2024. The communication channel between the Audit Committee and the CPAs has been functioning well.

(III) The head of internal audit, accountants, and independent directors may contact each other directly as needed, ensuring open communication channels.

(IV) The issues which are discussed by the independent directors, the chief internal auditor and CPAs are as follows:

(1) The issues which were discussed by the independent directors and the chief internal auditor in 2024 are as follows:

Date	Items with the chief internal auditor	Results
13 March 2024 Audit Committee	1. Review the effectiveness of the internal control policy and internal Control System Statement of the fiscal year 2023 2. The improvement report of the third quarter of the fiscal year 2023 and the audit report of the fiscal year 2023	1. After deliberation by the Audit Committee, it will be reported to the Board of Directors. 2. Noted, no further suggestions.
07 May 2024 Audit Committee	The improvement report of the fourth quarter of the fiscal year 2023 and the first quarter of audit report of the fiscal year 2024.	Noted, no further suggestions.
07 August 2024 Audit Committee	1. The improvement report of the first quarter of the fiscal year 2024 and the second quarter of audit report of the fiscal year 2024. 2. The internal audit plan of the fiscal year 2025	Noted, no further suggestions.
18 December 2024 Audit Committee	1. The improvement report of the second quarter of the fiscal year 2024 and the third quarter of audit report of the fiscal year 2024. 2. Internal annual audit plan for 2025	1. Noted, no further suggestions. 2. After deliberation by the Audit Committee, it will be reported to the Board of Directors.

(2) The issues which are discussed by the independent directors and CPAs in 2024 are as follows:

Date	Items with CPAs	Results
13 March 2024 Audit Committee	1. Audit results and key audit matters for the fourth quarter of 2023 financial statements. 2. Updates on regulatory and tax laws.	Noted, no further suggestions.
11 November 2024 Audit Committee	1. Review results of the third quarter of 2024 financial statements. 2. Audit timetable for the financial report of 2024 3. Updates on regulatory and tax laws.	Noted, no further suggestions.

(III) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principle

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company formulated a formal code of practice for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and duly disclosed relevant information on the MOPS and the official corporate website. In addition to complying with laws, regulations, and Articles of Incorporation, the Company's corporate governance system has established an effective corporate governance structure to protect the rights and interests of shareholders, strengthen the functions of the Board of Directors, respect the rights and interests of stakeholders, and enhance information transparency.	Compliance with the code of practice for corporate governance.
II. Shareholding structure & shareholders' rights (I) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has set up a spokesperson, a proxy spokesperson, a legal affairs unit, and a stock affairs unit to handle shareholder proposals or disputes, etc. The stock affairs unit is in charge of matters related to general stock affairs issues, and other company-specific issues are handled by the spokesperson.	Compliance with the code of practice for corporate governance.
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company uses the shareholder's register issued by the share agent to determine changes in shareholdings of directors, management, and large shareholders holding 5% or more of the shares, and reports the related information in compliance with the regulations.	Compliance with the code of practice for corporate governance.
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		The selection of the organizational form of the related companies has taken into account the firewall deployment, and the Company has established a related internal control system. The auditing unit conducts audits of subsidiaries on a regular or irregular basis.	Compliance with the code of practice for corporate governance.
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Company has established the “Rules Governing the Handling of Material Internal Information” and the “Rules Governing the Prohibition of Insider Trading” to prohibit insiders from using undisclosed information to trade in marketable securities. The Company organizes these rules as mandatory annual training for all employees (including new employees), provide guidance on major violations that may arise from material internal information (such as insider trading) that can have a potentially significant impact on the Company, as well as legal penalties.	Compliance with the code of practice for corporate governance.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Does the Board develop and implement a diversified policy for the composition of its members?</p>	V		The Company's “Corporate Governance Best-Practice Principle” stipulates a policy on the diversity of board members. Related specific goal and practice. Refer to page 8-9 in financial report for explanation of the diversity of the Board of Directors and the independence.	Compliance with the code of practice for corporate governance.
(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	Although the Company has not yet established a committee for other functions, but it is actively starting to evaluate the establishment of such committees.	Cooperate with laws and regulations in the future or handle according to actual needs
(III) Does the company establish a standard to measure the performance of the Board and implement it annually and it is also used as a reference for individual director's remuneration and nomination for reappointment?	V		The Company has established the “Rules for Performance Evaluation of the Board of Directors and Functional Committees”, which include conducting a regular board and functional committee performance evaluation to be completed by the end of the first quarter of the following year. The evaluation would be submitted to the Board of Directors. The evaluation scope includes the overall board performance, individual director performance, and performance evaluation of functional committees. The results of the performance evaluation will serve as a reference for future selection or nomination of directors, as well as for determining their individual remuneration. For further information on the implementation of the Board of Directors' performance evaluation for 2024, please refer to page 17 of the annual report.	Compliance with the code of practice for corporate governance
(IV) Does the company regularly evaluate the independence of CPAs?	V		<p>The Company's Audit Committee conducts an independent assessment of CPAs once a year. The main assessment issues are as follows:</p> <ol style="list-style-type: none"> 1. Whether the CPAs hold shares of the Company. 2. Whether the CPAs have any significant financial interests in the Company other than financial and tax audit fees. 3. Whether the CPAs hold any position in the Company. 4. Whether the CPAs have not changed for seven consecutive years. 5. Whether the CPAs perform services for the company that might impair audit independence. 	Compliance with the code of practice for corporate governance.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>6. Whether the CPAs have an actual or potential litigation relationship with the Company.</p> <p>7. Whether the CPAs receive any gifts of goods or services of inappropriate value from the Company.</p> <p>8. Whether the CPAs have been disciplined.</p> <p>9. Obtain the 13 Audit Quality Indicators (AQIs) information provided by the accounting firm, and evaluate the audit quality of the accounting firm and audit team in accordance with the "Audit Committee Guide to Interpreting Audit Quality Indicators (AQI)" issued by the regulatory authority (FSC).</p> <p>The most recent evaluation result confirms that the CPAs for 2025 are independent from the Company and do not have any financial interests or business relationships other than the fees for financial and tax audits. The members of the audit service team also comply with the independence requirements. The AQI information related to audit quality also meets industry standards. The aforementioned evaluation result was deliberated and approved by the Audit Committee on 11 March 2025, and reported to and approved by the Board of Directors on the same day.</p>	
IV. Does the company have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board and shareholders' meeting related matters in accordance with the law, and preparing minutes of board and shareholders' meetings, etc.)?	V		<p>On March 17, 2021, the Board of Directors approved the appointment of the Head of Corporate Governance to the head of Finance Department, Hsiu-Chi Chan, who has more than 20 years of experience in financial management of public companies. The main responsibilities of the Corporate Governance Officer are as follows:</p> <ol style="list-style-type: none"> 1. Research and plan the corporate system and organizational structure to promote the independence of the Board of Directors, the transparency of the Company, compliance with laws and regulations, and the implementation of internal audit and internal control. 2. Report to the Board of Directors, Directors and functional committees on the Company's corporate governance activities and confirm that the Company's shareholder meetings and Board of Directors meetings are held in compliance with relevant laws and regulations and the Code of Corporate Governance. 	Compliance with the code of practice for corporate governance.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>3. Consult with directors before the board meeting to plan and prepare the agenda, notify all directors at least 7 days in advance to attend the meeting, and provide sufficient information to the directors to understand the content of the relevant issues; if the content of the issues is related to the interested parties and should be appropriately recused, the relevant parties will be reminded in advance. The minutes of the board meeting will be prepared after the meeting.</p> <p>4. The date of the shareholders' meeting shall be registered annually according to the legal deadline, and the notice of the meeting, the manual and the minutes of the meeting shall be prepared and reported before the dead- line, and related matters shall be dealt with after the amendment of the Articles of Incorporation or the election of new directors.</p> <p>5. The Board of Directors and the shareholders' meeting are responsible for reviewing the disclosure of information on important resolutions of the Board of Directors and ensuring the legality and correctness of the content of the information to protect the equality of transaction information for investors.</p> <p>6. Reporting to the Board of Directors on the latest legal and regulatory amendments in the Company's areas of operation and corporate governance.</p> <p>7. Assisting directors in their appointment and planning and organizing annual continuing education programs for Directors.</p> <p>8. Providing directors with company information necessary for the performance of their duties and maintaining smooth communication between directors and department heads.</p> <p>9. Assisting in arranging meetings between independent directors and internal auditors or CPAs to understand the Company's financial operations.</p> <p>10. Other matters as specified in the articles of incorporation or contract.</p> <p>The Corporate Governance Officers performed various duties in accordance with their responsibilities and completed 15 hours of continuing training for Corporate Governance Officers. For details regarding their training, please refer to page 41 of the annual report.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>The Company always emphasizes the balancing between rights and responsibilities to stakeholders, such as shareholders, employees, customers, and suppliers, and maintains open lines of communication:</p> <ol style="list-style-type: none"> 1. Shareholders: In addition to the annual shareholders' meeting, there is a special channel on the Company's website for investors and shareholders to post related documents, as well as a contact box at archie07@sakura.com.tw 2. Employees: <ol style="list-style-type: none"> (1) In terms of structure, the Company sets up employee relationship units and HR represented to strengthen positive interaction with employees and improve the communication mechanism with employees. (2) In terms of execution, the Company has internal announcement emails, websites, publications, and dedicated lines for employees to communicate information about Company activities and collect feedback from employees to ensure smooth communication between the company and employees. 3. Customers: In addition to daily business communication, meetings are also held regularly for discussion. In addition, a pledge meeting is held every year to communicate the Company's operational performance, prospects and development goals. 4. Suppliers: Through daily business communication and regular meetings and discussions. 5. Social responsibilities: holding events from time to time and donating to disadvantaged groups, sponsoring largescale sports events, etc. <p>A stakeholder area has been set up on the Company's website to disclose relevant financial and business information, corporate governance information, corporate social responsibility information and stakeholder communication contact information, etc. A spokesperson and a proxy spokesperson are also available to serve as a communication channel with investors.</p>	Compliance with the code of practice for corporate.
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		<p>The Company appointed the Transfer Agency Department of CTBC Bank Co., Ltd. as the Company's stock agency to handle the related matters of shareholding and the shareholders' meeting to ensure that the shareholders' meetings are held in a legal, effective and safe manner.</p>	Compliance with the code of practice for corporate.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
VII. Information Disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		Relevant financial operations, ESG reports and corporate governance information have been disclosed in the Investor section of the Company's official website (www.sakura.com.tw) for the reference of shareholders and interested parties.	Compliance with the code of practice for corporate.
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The company has established an English website to disclose relevant information about the company. There are designated units in charge of gathering and disclosure of information who disclose information of the Company via major information or press release irregularly. The Company has established a spokesperson system and strictly adheres to its implementation. At least two earnings calls are held every year, and the presentations are also made available on the company's website for shareholders and stakeholders to review.	Compliance with the code of practice for corporate.
(III) Does the company publicly announce and register with the Competent Authority financial reports within two months after the close of the fiscal year and publicly announce and register with the Competent Authority the financial reports for the first, second, and third quarters and the business reports for each month of the fiscal year in advance?	V		The company has filed annual and quarterly financial reports as well as monthly operations within the legal deadlines, but has not filed annual financial reports within two months of the fiscal year's end.	As stated in the summary.
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<ol style="list-style-type: none"> 1. Employee rights and benefits: In addition to complying with laws and regulations, the Company has always treated its employees with honesty and trust, clearly defined both employers' and employees' rights and obligations, improved its management system and organizational functions, and established various management measures to protect employees' rights and benefits. 2. Employee care: Through various welfare measures as well as education and training, the Company cultivates a positive relationship with its employees. For instance, the Company provides subsidy for employee club activities, regular medical checkups, medical consultations, and employee parking lots. 	Compliance with the code of practice for corporate.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>3. Investor relations: The Company implements the spokesperson system to deal with shareholders' suggestions; the Company also announces and registers information in accordance with the regulations of the competent authorities, and timely provides information that may affect investors' decisions.</p> <p>4. Supplier relationship: The Company establishes long-term close relationship, mutual trust and mutual benefit with suppliers to jointly pursue sustainable growth.</p> <p>5. Interests of stakeholders: The Company maintains a smooth communication channel with its correspondent banks, employees, customers and suppliers, respects and maintains the legitimate rights and interests, and has a spokesperson to answer investors' questions to provide highly transparent financial business information to investors and stakeholders.</p> <p>6. Director's Continuing Education: Please refer to page 81-82 of annual report for details on Director's Continuing Education.</p> <p>7. Implementation of risk management policies and risk measurement standards: In accordance with applicable laws and regulations, the Company has established and effectively implemented a comprehensive internal control system. In addition, to reduce credit risk, the Company conducts appropriate risk assessments on major banks, customers, and suppliers, and the audit office examines the existing or potential risks of each operation in order to develop a risk-oriented annual audit plan.</p> <p>8. Implementation of the customer policy: The Company attaches great importance to consumer rights and sets up “Sakura Product”, “Customer Service”, “The latest news” and other webpages on the Company's website to provide information about the products of the Company to ensure that consumers have the right to be informed.</p> <p>9. Implementation of purchasing insurance for director: As reported to the Board of Directors on November 11, 2024, the Company purchased liability insurance for directors.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>IX. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures (unnecessary for companies which are not required):</p> <p>Each year, the Company reviews its compliance with the scoring criteria of the Corporate Governance Evaluation results and the most recently announced evaluation indicators. For any indicators that do not yet meet the standards, the Company formulates improvement plans and submits them to the Board of Directors for review. In fiscal year 2024, improvements included the submission of English consolidated reports for the first to third quarters within two months after the deadline for the Chinese financial reports, and the uploading of the English version of the sustainability report. In 2025, the Company will continue to address outstanding indicators under the “Promoting Sustainable Development” dimension and implement further improvements.</p>				

(IV) Composition and operations of Remuneration Committee:

To further strengthen corporate governance and meet international standards, the Company established a Remuneration Committee in 2011 to review the Company's overall compensation policies and plans.

The scope of the Remuneration Committee's deliberations includes performance evaluation and remuneration of directors and managers, which is governed by the Remuneration Committee and the “Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees”. The Remuneration Committee also conducts regular salary reviews to understand market competitiveness and trends, formulate salary policies, motivate employees and develop remuneration plans. The Remuneration Committee consists of three members, two of whom are independent directors, to maintain the independence, professionalism and impartiality of the Remuneration Committee and to avoid the risk of conflict of interest between the members and the Company.

The Remuneration Committee regularly reviews the Company's remuneration policies and plans to ensure that it can attract, motivate and retain the professional talent that the Company requires. The Committee reviews and approves director and executive remuneration on an annual basis, including salary, bonus, employee’s compensation, and other incentive plans. In order to ensure the appropriateness and competitiveness of the Company's overall remuneration, the Company regularly conducts an analysis of overall remuneration and remuneration market comparisons and reports the results of the analysis to the Remuneration Committee.

In accordance with the Company's “Remuneration Committee Organization Regulations”, the Remuneration Committee shall meet at least twice a year, and the Remuneration Committee meeting was held 6 times in 2024.

1. Professional qualifications and independence analysis of Remuneration Committee Members

Title	Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director	Yu-Cheng Chen (Convener)	<ul style="list-style-type: none"> • Member of the Audit Committee of the Company. • Convener of the Company's Remuneration Committee. • Ph.D., the Department of Accounting, National Cheng Chi University. • Specialized in accounting and financial analysis, business management, and payroll performance management, corporate growth, and related investments, all of which will be extremely beneficial to the company's future operations and financial planning. • Former Independent Director of Sentien Printing Factory Co., Ltd. Independent Director of Grand Bills Finance Corporation, Supervisor of Tachia Yung Ho Machine Industry Co., Ltd., Independent Director of DaFon Environmental Technology Co., Ltd., Head of Department of Accounting at Providence University, Head of Department of Accounting Department at National Chung Hsing University, Head of Department of Finance at National Chung Hsing University. • Currently serving as a Professor in the Department of Finance at National Chung Hsing University and as an Independent Director at Sunspring Metal Corporation. • There are no cases under Article 30 of the Company Act. 	<ul style="list-style-type: none"> • Not a natural-person, spouse, or relatives within the second degree serve as directors, supervisors or employees of the company or other related companies. • Not a natural person, spouse, or a relative second-degree relation. • Not serve as a director, supervisor or employee of a company with which the Company has a specific relationship. • The Company has not received any remuneration for business, legal, financial, or accounting services provided by the Company or its affiliates in the last two years. 	2

Title	Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Other	Hui-Ping Lai	<ul style="list-style-type: none"> • Member of the Remuneration Committee of the Company. • Ph.D., Department of Business Administration, Asia University. • Specialized in Human resources management, compensation management, labor laws and regulations, and labor dispute resolution. Therefore, extremely valuable in the areas of human capital development, employee relationship management, and various compensation and management system planning. • Served as a member of the assessment committee of the National Quality TTQS Program of the Ministry of Labor's Ability Development Summer Institute; an examination committee of The Youth's Employment Ultimate Program of the Workforce Development Agency, Ministry of Labor, an assessment committee of the Ministry of Labor's private employment service agencies engaged in quality assessment of international human resources agency services; a supervisor of Labor Affairs Bureau of Taichung City Government-Organization; a part-time assistant professor of the International Business Department of National Taichung University of Science and Technology, and the executive vice president of the CIVIL GROUP. • Assistant professor, Psychological Counseling Department (part-time), National Taichung University of Education. • There are no cases under Article 30 of the Company Act. 	<ul style="list-style-type: none"> • Not a natural-person, spouse, or relatives within the second degree serve as directors, supervisors or employees of the company or other related companies. • Not a natural person, spouse, or a relative second-degree relation. • Not serve as a director, supervisor or employee of a company with which the Company has a specific relationship. • The Company has not received any remuneration for business, legal, financial, or accounting services provided by the Company or its affiliates in the last two years. 	0

Title	Criteria	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
	Name			
Independent Director	Ming-Yuan Cheng	<ul style="list-style-type: none"> Member of the Audit Committee of the Company. Member of the Remuneration Committee of the Company. Ph.D., Department of Business Administration, National Chung Cheng University. Specialized in financial accounting, corporate governance and financial insurance, with a high degree of professionalism and operational practice, as well as providing competent insights and suggestions for the company's financial planning and future development. Chairman of Sunko Ink Co. Ltd.; Deputy General Manager of IBT Securities Co., Ltd.; Manager of HSBC Global Asset Management (Taiwan) Limited; Lecturer, Department of Finance and Insurance, Shu-Te University of Science and Technology. Chairman, Long Teng Capital. Independent Director, Taiwan J Pharmaceuticals Co., Ltd. Assistant Professor (part-time), Department of Accounting, Feng Chia University. There are no cases under Article 30 of the Company Act. 	<ul style="list-style-type: none"> Not a natural-person, spouse, or relatives within the second degree serve as directors, supervisors or employees of the company or other related companies. Not a natural person, spouse, or a relative second-degree relation. Not serve as a director, supervisor or employee of a company with which the Company has a specific relationship. The Company has not received any remuneration for business, legal, financial, or accounting services provided by the Company or its affiliates in the last two years. 	2

2. Attendance of members at Remuneration Committee Meetings

- (1) The Remuneration Committee of the Company is comprised of 3 members.
- (2) The tenure of the current members of the Remuneration Committee is from 17 June 2022 to 16 June 2025. A total of 6 (A) meetings of the Remuneration Committee were held in 2024. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person (B)	By proxy	Attendance Rate in Person (B/A)	Remark
Convener	Yu-Cheng Chen	6	0	100%	
Member	Hui-Ping Lai	6	0	100%	
Member	Ming-Yuan Cheng	6	0	100%	

Other items to be disclosed:

1. If the board refuses or modifies the recommendation made by the committee, specify the date and term of the board meeting and proposal content, board resolution and handling of committee opinion (if the compensation approved by the board is better than the compensation recommended by the committee, specify the difference and causes): None.
2. When members disagree to or have reservations of a resolution made at the committee meeting with records or written statements, specify the date and term of the committee meeting, proposal content, opinion of all members, and the response thereto: None.
3. The resolutions of the Remuneration Committee for 2024 are as follows:

Date of the Meeting Session	Resolution content	Resolution result
5 February 2024 5-9	The Company's submission for the year-end bonus for 2023.	After the Chairman consulted all members present, the motion was passed without objection.
13 March 2024 5-10	<ol style="list-style-type: none"> 1. The Company's 2023 variable year-end bonus for the Chairman. 2. The performance bonus of 2023 for the Vice Chairman. 3. The performance evaluation of the manager and the annual review of the remuneration. 	
7 May 2024 5-11	Proposal for the 2023 employee's compensation and director's remuneration within the Company.	
19 June 2024 5-12	<ol style="list-style-type: none"> 1. Proposal for the distribution of director's remuneration for 2023 within the Company. 	
13 September 2024 5-13	Proposal for the distribution of employee's compensation for 2023 within the Company.	
13 December 2024 5-14	Review of the "Issuance of Employee Restricted Stock Awards as a Medium- and Long-Term Incentive Plan"	

(V) The advocacy of sustainable development and variation from the sustainable development best practice principles of TWSE listed and TPEX listed companies, and the reason for such variation:

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations										
	Yes	No	Abstract Explanation											
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management and supervised by the Board of Directors?		V	<p>The Board of Directors serves as the highest governance body overseeing the Company’s sustainability strategy and planning. The Operational Planning Division integrates resources from internal departments and external experts to formulate the sustainability strategy of the Group. The Environmental, Social, and Governance (ESG) initiatives are promoted through cross functional collaboration, with issue-specific indicators collected and monitored to guide progress. The Company holds periodic discussions on stakeholder concerns and regularly reviews the implementation status of short-term, mid-term, and long-term sustainability goals to ensure effective internal governance. Progress and strategic updates related to sustainability are regularly reported to the Board of Directors.</p> <p>In 2024, the Board of Directors supervised the following sustainability-related proposals:</p> <table border="1"> <thead> <tr> <th>Board Meeting Date</th> <th>Description of the Matters</th> </tr> </thead> <tbody> <tr> <td>13 March 2024</td> <td>The progress report of the sustainable development for Q4 of 2023, ESG international ratings overview, ESG strategic objectives, and ISO 14064-1 implementation project</td> </tr> <tr> <td>07 May 2024</td> <td>The progress report of the sustainable development for Q1 of 2024 and ISO 14064-1 implementation project update.</td> </tr> <tr> <td>07 August 2024</td> <td>The progress report of the sustainable development for Q2 of 2024, Sakura Group’s ESG Sustainability Report submission, and Taiwan Sakura Group’s ESG sustainability vision and blueprint.</td> </tr> <tr> <td>18 December 2024</td> <td>The progress report of the sustainable development of 2024, and ISO 14064-1 implementation project results</td> </tr> </tbody> </table>	Board Meeting Date	Description of the Matters	13 March 2024	The progress report of the sustainable development for Q4 of 2023, ESG international ratings overview, ESG strategic objectives, and ISO 14064-1 implementation project	07 May 2024	The progress report of the sustainable development for Q1 of 2024 and ISO 14064-1 implementation project update.	07 August 2024	The progress report of the sustainable development for Q2 of 2024, Sakura Group’s ESG Sustainability Report submission, and Taiwan Sakura Group’s ESG sustainability vision and blueprint.	18 December 2024	The progress report of the sustainable development of 2024, and ISO 14064-1 implementation project results	In compliance with the Sustainable Development Best Practice Principles.
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Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
			In alignment with the net-zero goals of R.O.C. and to implement a greenhouse gas inventory methodology and operational mechanisms, the Company adopted ISO 14064-1 in 2024. The initiative aims to more effectively manage climate change-related risks and opportunities. In the same year, the Company developed and enhanced the “Task Force on Climate-related Financial Disclosures (TCFD)” indicators.	
II. Has the Company conducted risk assessment of environmental, social and corporate governance issues concerning the Company's operations by the materiality principle and formulated related risk management policies or strategies?	V		<ol style="list-style-type: none"> 1. The Company has established “Risk and Opportunity Management Approach” to maintain a robust risk management framework over the long-term and identify various potential risks, including those related to business management, market, finance, operations, information, emerging risks, and ESG and climate-related risks. In addition, to ensure the Company’s development under the thorough risk controls, minimizing negative impacts on the environment, society, and corporate governance, risk mitigation is carried out through functional committees and monitored by dedicated departments. 2. The Company has conducted materiality assessments in accordance with sustainability reporting standards. These assessments are based on international frameworks such as GRI and SASB, as well as the Company’s sustainability strategy blueprint. Sustainability issues of concern to stakeholders are collected and analyzed in terms of the likelihood and scale of their positive or negative impacts across economic, environmental, and human rights (ESG) dimensions, both internally and externally. The issues are then prioritized to determine material topics. Meanwhile, the Company has formulated management approaches and sets short-, medium-, and long-term goals based on the identified material topics, with progress reviewed regularly on an annual basis. Therefore, by integrating material topics into the Company’s daily risk management system, the Company dedicates to maintain a robust and comprehensive risk management structure. This effort is jointly driven and implemented by the Board of Directors, management at all levels, and all employees, with the aim of mitigating the impact of related risks. 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status		Abstract Explanation	Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No		
			<p>(1) Environmental:</p> <p>a. The Company manages climate risks by focusing on four key dimensions: governance, strategy, metrics and targets, and risk management. The Company formulates strategies and action plans addressing climate change, identify major climate-related risks and opportunities, and conduct financial impact analyses under various scenarios, developing corresponding response measures and establishing management indicators to mitigate climate risks.</p> <p>b. The Company has long implemented its environmental and energy management strategy through the adoption of ISO 14001, adhering to and enforcing the environmental management system. The Company complies and implements its environmental management system, collaborating with employees to promote pollution prevention initiatives (e.g. air pollution control, hazardous substance management). The effectiveness of these efforts is verified through external ISO audits. In 2024, the Company continued to maintain its ISO 14001 certification.</p> <p>c. In 2024, the Company adopted ISO 14064-1 to further strengthen greenhouse gas (GHG) management. While managing GHG emissions, the Company also aims to reduce energy consumption during production by actively promoting energy-saving and carbon-reduction measures. These efforts are implemented effectively through a multifaceted approach, including energy planning, efficiency analysis, energy consumption monitoring, and equipment management.</p> <p>d. The Company’s water sources consist of domestic water and industrial wastewater. Water quality is periodically tested by qualified inspection agencies to ensure compliance with local drinking water standards. Industrial wastewater is regularly monitored by third-party organizations to ensure that it does not have a significant impact on the surrounding environment.</p> <p>e. Waste generated by the Company consists of general domestic waste and recyclable materials, with no hazardous waste produced. Currently, the waste generated from operations is classified as general industrial waste, with no hazardous industrial waste. To effectively manage industrial waste, the Company strictly implements a circular operation model for waste classification,</p>	

Initiatives	Implementation Status		Abstract Explanation	Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No		
			<p>collection, storage, management, and disposal, in compliance with relevant regulations.</p> <p>f. The Company is committed to developing a circular sustainable economy business model, focusing on the creation of environmentally friendly and sustainable products and services. Through green certification programs, the Company collaborates with the supply chain to promote environmental sustainability and meet customer demands. The Company has long complied ISO 9001 quality management standards and successfully maintained ISO 9001 certification in 2024.</p> <p>(2) Social:</p> <p>a. In accordance with the “Internal and External Communication Management Regulations”, each unit requires suppliers, contractors, and outsourcing partners to comply with the Company’s environmental, health, and safety management standards through contractual obligations. The Company has adopted ISO 45001 occupational health and safety management system standards and successfully maintained ISO 45001 certification in 2024.</p> <p>b. The Company highly values employee rights and strives to create a diverse, inclusive, and fulfilling workplace. Multiple communication channels, both formal and informal, have been established, including electronic publications, internal platforms, monthly meetings, Line@ communications, and suggestion mailboxes. Employees whose rights are violated may seek assistance through anonymous internal grievance mechanisms managed by designated personnel. All employees are treated equally and enjoy the same rights and benefits. The Company upholds fundamental human rights, promotes harmonious labor-management relations, and convenes labor-management meetings regularly to ensure open and transparent two-way communication between the Company and employees.</p> <p>(3) Governance Aspect:</p> <p>The Company promotes good corporate governance by requiring governance supervisors and Directors to participate in external corporate governance training programs to enhance the related knowledge. Each department conducts annual internal control self-assessments to review the</p>	

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
			effectiveness of internal control systems and compliance with applicable regulations. To further strengthen corporate governance and risk management, the Company has established relevant policies and implements regular activities, including training sessions on the Code of Ethical Conduct and information security seminars. Continuous improvement of best risk management practices is pursued to protect the interests of employees, shareholders, partners, and customers.	
III. Environmental issues (I) Has the Company established proper environmental management systems based on the characteristics of their industries?	V		<ol style="list-style-type: none"> 1. The Company has established various policies and systems, including the “Quality and Environmental Management Manual”, the “Environmental, Health, and Safety Policy”, and the “Environmental Management Review System”. Environmental performance management indicators have been set to identify potential negative environmental impacts arising from internal operations and to formulate corresponding improvement strategies. 2. The Company actively promotes energy management and carbon reduction initiatives. Each site evaluates potential energy-saving measures annually based on operational conditions and implements relevant improvements alongside energy conservation education. In recent years, efforts have focused on replacing aging equipment with energy-efficient alternatives and maintaining equipment performance to optimize electricity use. In manufacturing processes, production workflows are continuously optimized to lower energy emissions. In 2024, a total of seven improvement projects were completed. Additionally, the Wuri Plant introduced time-segmented energy-saving measures for dust collection systems to enhance energy performance, aiming for full implementation in 2025, with an expected 10% improvement in energy efficiency. When replacing office equipment, priority is given to energy-efficient products with energy labels and low energy consumption. Employees are encouraged to use recycled paper, print double-sided, and minimize color printing when using printers. The Company actively promotes the digitization of processes to reduce paper usage. 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
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			<p>3. In terms of environmental management, in 2024, the Shengang Plant installed new water quality monitoring equipment, including a “Microcomputer Suspended Solid Controller” and a “Portable Comprehensive Water Quality Analyzer”, to strengthen water quality monitoring efforts. In addition, pedestrian walkways have been planned at various plants to reduce conflicts between vehicles and foot traffic, thereby improving workplace safety for employees</p> <p>4. The Company has continuously maintained ISO 14001 Environmental Management System certification. The current certification is valid from 15 August, 2023, to 16 July, 2026.</p>	
(II) Has the Company endeavored to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>1. In 2024, the Company launched SAKURA AI KITCHEN, integrating AI technology into kitchen appliances. Through advancements in manufacturing processes, product research and development, smart manufacturing, and innovative services, the Company continuously optimizes and develops high-efficiency, energy-saving products. For example, the AI range hood automatically detects and operates based on real-time conditions, adjusting fan speed through temperature sensing. The AI gas stove offers precise flame designed for various cooking styles, featuring built-in timing and temperature control functions. The P0531 under-sink RO dual-temperature water purifier features multiple energy-saving modes and an integrated RO purification module to effectively reduce scale content in water.</p> <p>While providing convenience to consumers, the Company continues to work together with them to reduce impacts and foster a friendly and comfortable ecological environment.</p> <p>2. The Company has improved resource waste and environmental pollution generated from operations through a circular economy model. From procurement, production processes, to waste management and recycling, the Company promotes the positive circulation of raw materials and production, working towards the goal of waste resource recovery. This is implemented through the circular economy model at both the headquarters and manufacturing facilities.</p>	In compliance with the Sustainable Development Best Practice Principles.

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(III) Has the Company assessed the potential risks and opportunities of climate change to its current and future operations, and adopted corresponding response measures	V		<p>1. The Company has conducted comprehensive climate risk management based on four key dimensions: Governance, Strategy, Risk Management, and Metrics and Targets. Strategies and actions in response to climate change have been formulated, with significant climate-related risks and opportunities identified. For each risk factor, financial impact pathways and magnitudes under various scenarios are assessed. Corresponding response measures are thoroughly reviewed, and relevant metrics and targets are established to manage and mitigate the impacts of climate risks.</p> <p>2. The Company has established short-term (3 years), medium-term (5–10 years), and long-term (over 10 years) targets to develop appropriate adaptation and mitigation plans in response to physical climate risks. The Company continues to clarify responsibilities and response strategies based on the types of climate risks and the degree to which they can be addressed, and establishes standard operating procedures (SOPs) as needed.</p>	In compliance with the Sustainable Development Best Practice Principles.																								
(IV) Has the Company recorded the amount of greenhouse gas emissions, water usage and the total weight of waste for the last two years and formulated policies pertaining to energy?	V		<p>1. The Company has set a target of achieving net zero greenhouse gas (GHG) emissions by 2050. In 2024, the Company formally adopted the ISO 14064-1 standard for GHG emissions inventory, with the reporting boundary covering domestic manufacturing sites and operational locations. The greenhouse gas emissions, water consumption, and waste generation over the past two years are as follows:</p> <p style="text-align: center;">Unit: Tonne CO₂e/Year</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Items</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (Direct emissions)</td> <td>621.5968</td> <td>989.2598</td> </tr> <tr> <td>Scope 2 (Indirect emissions)</td> <td>2,957.9250</td> <td>3,166.8916</td> </tr> <tr> <td>Total greenhouse gas emissions</td> <td>3,579.5218</td> <td>4,156.1514</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Items</th> <th>Unit</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Tap water consumption</td> <td>Cubic meters</td> <td>11,634.3329</td> <td>13,715.6568</td> </tr> <tr> <td>Employee water consumption intensity</td> <td>Water usage rate per person</td> <td>10.91</td> <td>12.79</td> </tr> </tbody> </table>	Items	2023	2024	Scope 1 (Direct emissions)	621.5968	989.2598	Scope 2 (Indirect emissions)	2,957.9250	3,166.8916	Total greenhouse gas emissions	3,579.5218	4,156.1514	Items	Unit	2023	2024	Tap water consumption	Cubic meters	11,634.3329	13,715.6568	Employee water consumption intensity	Water usage rate per person	10.91	12.79	In compliance with the Sustainable Development Best Practice Principles.
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Tap water consumption	Cubic meters	11,634.3329	13,715.6568																									
Employee water consumption intensity	Water usage rate per person	10.91	12.79																									

Initiatives	Implementation Status			Abstract Explanation	Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations																				
	Yes	No																							
			<table border="1"> <thead> <tr> <th>Items</th> <th>Unit</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste</td> <td>Tonne</td> <td>0</td> <td>0</td> </tr> <tr> <td rowspan="2">Non-hazardous waste</td> <td>General household waste</td> <td>Tonne</td> <td>276.0000</td> <td>276.0000</td> </tr> <tr> <td>Non-household waste</td> <td>Tonne</td> <td>1,583.5600</td> <td>2,577.3190</td> </tr> <tr> <td>Per capita waste generation</td> <td>Tonne</td> <td>1.74</td> <td>2.66</td> </tr> </tbody> </table> <p>The Company evaluates the impact of its operations on natural ecosystems, as well as the potential current and future risks and opportunities related to climate change. The Company has formulated corresponding climate risk response measures to mitigate impacts on the natural environment and human society.</p> <ol style="list-style-type: none"> In response to the impact of climate change on water resources, the Company has set a goal of reducing water consumption by 1% annually. The Company is committed to implementing water resource management strategies and action plans, which include: promoting water recycling, evaluating the adoption of process and wastewater recycling systems, and monitoring water usage. Through comprehensive water resource management, the Company aims to expand the diversification of water resource utilization, enforce strict prevention and control measures, and enhance water usage efficiency through recycling, reuse, and innovation in water-saving solutions. The Company generates only general domestic waste and recyclable materials, with no hazardous waste produced. Operational waste is categorized as general industrial waste, not hazardous industrial waste. The Company adopts strategies such as source reduction, reuse, resource circulation, and strict flow management. Measures include proactive waste classification and management, compliance with ISO14001 Environmental Management System and Management Regulations, adherence to relevant regulations for waste treatment, transportation, and reporting. The Company is committed to developing a sustainable circular economy business model, focusing on the creation of environmentally friendly products and services. The Company continuously optimizes production processes, deepen R&D capabilities, and introduce smart and automated equipment to enhance product quality and carbon reduction benefits, actively promoting the development of sustainable green products. 	Items	Unit	2023	2024	Hazardous waste	Tonne	0	0	Non-hazardous waste	General household waste	Tonne	276.0000	276.0000	Non-household waste	Tonne	1,583.5600	2,577.3190	Per capita waste generation	Tonne	1.74	2.66	
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Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
IV. Social issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and The International Bill of Human Rights?	V		<ol style="list-style-type: none"> 1. In the Company’s “Sustainable Development Best Practice Principles Manual”, the Company explicitly states that it shall comply with relevant labor acts and adhere to International Bill of Human Rights, such as gender equality, the right to work, and the prohibition of discrimination. The Company shall also adhere to internationally recognized labor and human rights standards, such as the freedom of association, the right to collective bargaining, the protection of vulnerable groups, the prohibition of child labor, the elimination of all forms of forced labor, and the eradication of employment and occupational discrimination. Additionally, the Company shall ensure that its human resources policies are free from discrimination based on gender, race, socioeconomic status, age, marital status, or family situation, ensuring equality and fairness in employment, working conditions, compensation, benefits, training, performance evaluation, and promotion opportunities. 2. The Company places great importance on protecting employee rights and complies with the conventions of the International Labour Organization (ILO) Conventions. No form of forced or compulsory labor is permitted under any circumstances. In the event of significant operational changes that may affect employee rights, the Company complies with applicable labor acts, such as the Labor Standards Act, by providing advance notice and safeguarding employees’ employment rights. If employees experience violations of their rights or are subjected to unfair treatment, they may seek assistance through internal grievance mechanisms. 3. The Company has established human rights-related policies, including the “Sexual Harassment Prevention and Management Guidelines”, the “Regulations Governing the Prevention of Illegal Infringements During the Performance of Duties”, the “Regulations Governing the Whistleblowing and Protection Mechanism for Fraudulent Conduct”, and the “Regulations for the Management of Temporary and Contract Employees”. These policies are mandatory for all employees and are incorporated into new employee orientation and training programs. The Company also promotes awareness of these policies during monthly company-wide meetings on a regular basis. 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflected its operational performance or results in employee remuneration?	V		<ol style="list-style-type: none"> 1. According to the Company’s “Articles of Incorporation”, 2% to 8% of annual profit is set aside as employee remuneration. 2. The Company has set up a Remuneration Committee to strengthen the corporate governance and improve the system of remuneration, and regularly review the Company’s overall remuneration policy, welfare measures, and performance management. 3. The Company provides other employee benefits, such as leave entitlements and welfare measures, in accordance with or exceeding legal requirements, ensuring lawful and reasonable protections for employees. Upholding the principle of profit-sharing with employees, the Company aims to attract, retain, develop, and motivate talent. <ol style="list-style-type: none"> (1) Employee remuneration: The Company conducts two performance reviews and interview each year, and operation performance is reflected on employee salary appropriately. The Company adjusts the salary level from time to time to provide a competitive salary and adjusts the salary according to the Company's operation, price index, economic growth rate and personal performance. (2) Allowances, gifts and subsidies: The Company provides various employee benefits, including wedding, childbirth, and housewarming cash gifts; hospitalization and bereavement condolence payments; educational scholarships for employees' children; birthday cash gifts; holiday vouchers (Labor Day and Mid-Autumn Festival); and Mother's Day gifts. (3) Leave policy In accordance with the leave entitlements under the Labor Standards Act, the Company also provides additional paid leaves, including occupational injury and sick leave, maternity (and prenatal check-up) leave, paternity (and prenatal check-up) leave, parental leave, family care leave, maternity rest leave, and menstrual leave. (4) Health management program: The Company conducts annual employee health checkups on a regular basis. Following the checkups, appropriate follow-up and counseling measures are implemented based on the degree of deviation from standard health benchmarks. Employees may also 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status		Abstract Explanation	Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No		
			<p>consult directly with the health examination physicians should they wish to gain a deeper understanding of their results, allowing them to manage their personal health more comprehensively.</p> <p>Furthermore, the Company promotes various health-related initiatives, such as blood donation drives, health and safety awareness materials, and educational seminars to enhance employees’ health awareness. In addition, at least once every quarter, a certified occupational medicine physician is assigned to visit each factory site to conduct workplace inspections. These visits aim to monitor and care for employees’ physical and mental well-being. If any abnormalities are identified, immediate communication will be conducted with Human Resource Division, on-site medical personnel, department supervisors, and the employee to ensure appropriate job placement and provide health guidance.</p> <p>(5) Services and facilities in the factory: Each site is equipped with first aid equipment to respond to emergencies. In addition, lactation rooms are provided to ensure a safe and supportive workplace environment for female employees returning after childbirth. Dedicated employee parking spaces are also available, allowing employees to work with peace of mind.</p> <p>(6) Other employee welfare measures: The Company provides a variety of employee benefits, including an employee stock ownership association, group insurance, a comprehensive retirement system, employee shopping discounts, recognition of long-serving and outstanding employees, activities organized by the employee welfare committee, diverse employee clubs, partnerships with designated discount merchants, and occasional seminars on topics such as AI applications, office software, and business insights.</p> <p>(7) Workplace diversity and equality: The Company regards its employees as its most valuable assets and is committed to providing a diverse and inclusive workplace environment deeply rooted in a people-centric culture. We uphold a policy of non-discrimination based on gender, race, social class, age, marital status,</p>	

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
			<p>language, ideology, religion, political affiliation, birthplace, appearance, physical or mental disabilities, and any other factors. Our language, attitude, and behavior reflect equal treatment for all individuals. Together, we strive to create a dignified, safe, equitable, discrimination-free, and harassment-free work environment. Currently, male and female employees comprise approximately 64% and 36%, respectively, while male and female managerial positions account for approximately 73% and 27%, respectively. The Company actively fosters diversity in the workplace and seeks to attract top talent to contribute to both the enterprise and society, particularly amid the global talent shortage.</p>	
(III) Has the Company offered a safe and healthy working environment for its employees and conducted safety and health education for employees on a regular basis?	V		<ol style="list-style-type: none"> 1. Each year, the Company regularly implements employee health check-ups, and regularly entrusts professional organizations to perform environmental inspections at the job site (including organic solvents, dust, noise, etc.), and makes and tracks improvements according to the inspection results to maintain employees’ health. 2. The Company continuously create a diverse, inclusive and safe workplace. In 2024, the installation of blood pressure in the migrant dormitories enabled the foreign colleagues to monitor their health at any time. At the end of the year, a pedestrian priority lane is planned in Daya Factory 1 and 2 areas, separating the vehicles and pedestrians This improves the safety of pedestrians. 3. The Company has set up the “Occupational Safety and Health Committee”, and established “Occupational Safety and Health Committee”, which formulates an annual occupational safety and health management plan annually, formulating relevant environmental safety policies, managing the audit system, and setting up the environmental safety and health performance management to ensure monitor, review, improve tracking and prevention to eliminate the environmental safety risk arising from internal operations. The Company continues to obtain the ISO45001 “Occupational Safety and Health Management System” certification, and regularly conducts labor safety training courses, fire education training and drills, hazardous substance awareness education training and other related education and training for employees, so that employees can work in a safe and healthy environment. 4. There is no massive occupational disasters in the current year. 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
(IV) Has the Company provided its employees with career development and training sessions?	V		<ol style="list-style-type: none"> 1. The Company has a well-established education and training system and appropriate development training programs, including training by levels, training by functions, key talent development, and overseas assignment training. 2. In 2024, the total hours of external education training are 19,625 hours, being participated by 5,165 times, investment about NT\$ 3.81 million. 3. In the third-quarter of 2024, Sakura introduced the second Transformation Office Project (TMO), continuously to act as a hub for incubating innovative cross-organizational initiatives and laying the groundwork for future talent development, encouraging the employees to think out of the box. In addition, Sakura keeps carrying out the digital learning platform “Sakura Learning Cloud”, so that employees could have portable devices to learn anytime, obtaining the practical skills and interesting knowledge. 4. The Company believes that talents are the motivation and the core competitiveness for the business. Therefore the Company would effortlessly to create an environment that assist the employees continuously learning and developing. 	In compliance with the Sustainable Development Best Practice Principles.
(V) Has the Company complied with relevant regulations and international standards and formulated policies to protect customer rights and complaint procedures concerning the health and safety of the customers of the products and services, client privacy, marketing and labels?	V		<ol style="list-style-type: none"> 1. To safeguard consumer rights, the Company has established a Service Policy White Paper, which clearly defines the warranty and repair periods for products under each brand within the Group. In addition, a “Customer Complaint Handling Policy” has been implemented. When consumers have concerns regarding product or service quality, they may call the toll-free service hotline at 0800-021818 to file a complaint. Upon receipt, the Customer Service Department registers the case and notifies the responsible departments to promptly contact the consumer and address the issue. The Company commits to providing feedback on the resolution and corresponding improvement measures within seven days. 2. The Company is well aware of the importance of protecting personal information, and regarding it as the most important asset of the customer service. We recognize the importance of the compliance with personal information protection and respect consumer’s privacy with a proper data handling. Therefore, Sakura has established internal information security policy, planned and executed the information security management policy, and regularly checked the execution of internal information safety. If the deficiencies were found, the inspected units would be required to propose the improvement plan to lower the internal risk of information and safety. The maintenance rate of the 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
			<p>data management is sustained at 100% annually, and the use of the data are limited to customer service department.</p> <p>3. In 2024, the customer satisfaction rate is at 93%, is greater than the standard of 90%, and there are no major information security risks.</p>	
(VI) Has the Company formulated supplier management policies, required the suppliers to comply with relevant rules regarding the environment, occupational safety and health, labor rights or other issues, and reported the results of the implementation?	V		<p>The Company has established the “Supplier Management Regulations” and the “Procurement Safety and Hygiene Assessment Management Procedures”. Regular assessments are conducted on aspects such as product quality, cost, delivery time, service (cooperation), environmental protection, occupational health and safety, and ESG. High-quality and suitable supplier partners are selected, following the three levels, and suppliers take corresponding improvement measures according to the requirements of different levels to select high-quality and suitable supplier partners, and establish a sustainable supply chain ecosystem.</p>	In compliance with the Sustainable Development Best Practice Principles.
V. Has the Company prepared sustainability reports or other disclosures of non-financial information with reference to internationally recognized reporting standards or guidelines? Have such reported obtained assurance or verification opinions from third-party assurance providers?	V	V	<ol style="list-style-type: none"> The Company's preparation of corporate social responsibility reports is based on the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies” and follows the core options of the Global Reporting Initiative (GRI) guidelines. There is an index table of GRI standards at the end of the report and relevant information is posted on the Company's website, available for interested parties to browse. The Company follows the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), focusing on four core elements: “Governance,” “Strategy,” “Risk Management,” and “Metrics and Targets.” It effectively manages indicators related to each of the climate change risks and opportunities. Additionally, the Company discloses sustainability-related indicators that have significant financial impacts according to the Sustainability Accounting Standards Board (SASB) industry standards for the household appliances manufacturing sector. 	In compliance with the Sustainable Development Best Practice Principles.

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
			4. The Corporate Social Responsibility Report has not yet obtained the assurance or opinion of a third-party assurance unit.	Third-party assurance is currently under planning.

VI. If the Company has established the corporate social responsibility principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: No significant differences.

VII. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices:

(I) Certifications and awards related to sustainable development

1. ISO 9001 Quality Management Systems Certification (Valid period: 27 June 2024 to 3 August 2027)
2. ISO 14001 Environmental Management Systems Certification (Valid period: 15 August 2023 to 16 July 2026)
3. ISO 45001 Occupational Safety and Health Management Systems (Valid period: 25 December 2024 to 24 December 2027)
4. For 36 consecutive years, we have been honored as the top consumer's preferred brand, and our products have continuously won the Taiwan Excellence Award for 22 years in a row.
5. In 2024, the Company won the “Silver Reward” of the French Design Award, the German Red Dot Design Award, “Silver Award” of WILD Designs Awards, “Silver Award” of NY Product Design Award, Canada 4 Future Award, Switzerland BLT Built Design Awards.

(II) Corporate vision and cultural enhancement:

【Sustainable Environment】 In the third-quarter of 2024, the Company cooperated with Decathlon-Taichung Beitun Branch initiated “UBag Second-Hand Recycling Bag Project” through the NGO platform “UBag” to jointly reflect the positive cycle of reducing plastic in life and caring the environment.

【Diversity and Inclusion】 In the second-quarter of 2024, the Company held the “Kitchen Battle” to gain insight of the customer’s need through the hand-on experience. In the third-quarter of 2024”, a tribute to Company’s Craftsmen” was held to show that colleagues in their different positions and exerted their ingenuity. In the fourth quarter, we promoted the “Small Study Room Diversified Meeting Space Project” to optimize the overall user experience of employees and create a unique Sakura service experience, and at the same time, we also planned to promote the layout of the site to create an inclusive and happy environment to practice the growth of employees and the Company, and move towards the Company's vision.

(III) TMO Transformation Office Project Drive:

Sakura introduced the TMO project in 2023, and kicking off the second TMO in 2024. This initiative act as a hub for laying the groundwork for future talent development and incubating innovative cross-organizational initiatives. The five core areas in this time: “Sakura iCare, AI Empowering, Customer Journey, Insightful Intelligence, and Employee Experience”. A total of 44 colleagues joined in as an advisory group, learning from each other and explore the feasibility of each core theme.

Initiatives	Implementation Status			Variations from “the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies” and Reasons for Such Variations
	Yes	No	Abstract Explanation	
(IV) Public Welfare and Social Engagement:				
<ol style="list-style-type: none"> 1. The company leaves no stone unturned in cultivating talents in culinary space design skills and aspiring to take on the responsibility of educating future professionals in this industry and giving back to society, as of 2024, the Company has hosted the “Sakura Awards” kitchen design competition for 12 consecutive years. In 2024, editions received 616 entries, with scholarships totalling NT\$345,000 awarded. Over the years, from 2012 to 2024, the competition has nurtured over 5,000 student entries, with nearly NT\$4.5 million in scholarships awarded. At the same time, the competition provided an opportunity for the students to combine the physiology and practice, and the students who won the gold, silver and bronze awards could have the internship opportunities in Sakura Group or our cooperate designers, allowing the students to have practical experience before entering workplace. 2. The Company actively supports the development of sports in Taiwan. In 2024, we sponsored events such as the National Architecture Elite Golf Charity Celebrity Tournament, the Taiwan Strong Ladies Golf Open, and the Kingmao Cup Golf Open, with total donations amounting to NT\$1.15 million. We also participated in activities such as the Kaohsiung OPEN! RUN Balloon Road Race. 3. In 2024, Taiwan experienced a series of major natural disasters. In response, the Company launched a special consumer service initiative, which included offering free safety inspections and providing water heaters to those affected by the Hualien earthquake, as well as expanding inspection and reconstruction services following Typhoon Krathon. Professional service personnel were dispatched to conduct free, on-site safety checks of water heaters, ensuring the safety of consumers’ households using water heaters. 4. The Company has been an annual donor to the Sakura Cultural and Educational Foundation, aiding in the promotion of diverse cultural and educational welfare activities, nurturing outstanding students, and supporting excellent medical professionals. In 2024, the Company’s donation amounted to NT\$2.7 million. The “Sakura Education Scholarship,” now in its 36th year, a total of 227 students received awards this year. The “Sakura Medical Talent Cultivation Program” has sponsored 102 in-service physicians this year, enabling them to pursue advanced studies domestically and internationally to enhance their medical expertise. 5. Maintaining strong ties with local communities and neighborhoods in Taichung, the Company consistently donates to support local activities and public welfare endeavors. This includes community development associations in Daya, Shengang, and Wuri Districts, temples, fire stations, police precincts, and local welfare organizations. In 2024, the total donation amounted to NT\$1.56 million. On 19 August 2024, the Company hosted a Charity Family Day, and purchased 1,370 biscuits from Children Are Us Foundation to support the life of striving for progress with colleagues. The company encourages employees to show their love, devote themselves to public welfare activities, and do their best to care for the society, such as the donation of kitchenware products to Lukang Children Association in Changhua County, and the donation of water heating products to low-income family in New Taipei City. We hope to make contributions to the society through its own corporate influence, strive to build a harmonious society of common prosperity and fulfil social civic responsibilities. 				
(V) For further information, please refer to Taiwan Sakura Corporation’s website for the Company’s ESG Report.				

(VI) The state of the Company’s performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs (I) Does the company establish ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board of Directors and management level to implement the policies?	V		“Honesty and integrity” are the most important core values in the corporate culture. The Company maintains a consistent ethical standard in all business activities and has a “Code of Ethical Conduct” approved by the Board of Directors and the Shareholders' Meeting, which is disclosed on the Company's intranet site and strictly requires each employee to comply with the Integrity Policy.	In Compliance with Ethical Corporate Management Best-Practice Principles
(II) Does the company establish risk assessment procedures of unethical conduct, analyse and assess operation activities more likely involving unethical conduct to accordingly establish policies to prevent unethical conduct which include but are not limited to the precautions stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Code of Ethics is the central guideline for the Company's values. It requires all company employees, including members of subsidiaries, to assume the important responsibilities of high ethical standards, the company's reputation, and compliance with laws and regulations. In addition to posting the “Code of Ethical Conduct” and the “Code of Ethics for Employees” on the Company's intranet site for employees to review at any time, the Company promotes the Company's core values to employees through various channels, such as education and training courses and emails. In addition, the Company provides various channels for reporting dishonest behavior and takes strict disciplinary measures and timely legal actions against violators.	In Compliance with Ethical Corporate Management Best-Practice Principles

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, commit to implementation of the policies, regularly review and revise the aforementioned policies?	V		Under the Code of Ethics, the Company has established rules and regulations governing the preparation of financial reports, insider trading, protection of intellectual property rights, protection of confidential information, protection of personal information, retention and destruction of documents. To ensure the accuracy, reliability and timeliness of financial, management and business information, internal audits are conducted in accordance with the annual audit plan approved by the Board of Directors, and audit results and follow-up improvement plans are reported to the Board of Directors and management to achieve effective auditing.	In Compliance with Ethical Corporate Management Best-Practice Principles
II. Fulfil operations integrity policy (I) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		The Company always aims to create the best interests of its shareholders and employees. In terms of compliance with laws and regulations, we comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Contribution Act, Anti-Corruption Act, Government Procurement Act, the Act on Recusal of Public Officials due to Conflicts of Interest, regulations related to listing on the stock exchange, or other laws and regulations related to business practices, in order to deepen our corporate culture of integrity and respect. Before the Company engages in a procurement, it would conduct an assessment of the dealer to confirm whether it is a qualified manufacturer and stipulate a penalty	In Compliance with Ethical Corporate Management Best-Practice Principles

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			in the event of violations in the contract. The Company frequently communicates its ethical standards to customers on a regular basis through various consumer audits and the exchange of related issues.	
(II) Does the company establish an exclusively dedicated unit supervised by the board to be in charge of corporate integrity and report the ethical corporate management policies, policies to prevent unethical conduct and the implementation of supervision to the Board of Director at least once a year?		V	<p>The Company's integrity management policies and prevention measures are formulated and executed by the Human Resources Division. They report annually to the Board of Directors, with the most recent report being on 18 December 2024. The company’s integrity management implementation on 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Rules and Regulations The Company has established management norms including the “Ethical Corporate Management Best Practice Principles,” “Employee Code of Ethical Conduct Management Regulations,” “Insider Trading Prevention Management Regulations,” and “Whistleblowing and Protection System Management Regulations.” These integrity management principles are openly disclosed on the company website and in the employee NOTES section. 2. Commitment Upon employment, all employees are required to sign an Employee Service Agreement, committing to abide by relevant integrity regulations. 3. New Employee Education and Training In 2024, the Company organized five new employee education and training sessions, attended by a total of 145 individuals. Participants were clearly informed of the Company's integrity 	In Compliance with Ethical Corporate Management Best-Practice Principles

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>operation and regulatory requirements, while also becoming acquainted with the company's core values of “Integrity, Foresight, Passion, Professionalism, and Shared Success,” thereby instilling integrity operation DNA.</p> <p>4. Company-Wide Mobilization Monthly Meetings In 2024, the Company conducted three integrity management policy advocacy sessions during company-wide mobilization monthly meetings, with a total participation of 400 individuals. The advocacy content included prohibitions against dishonest behaviors, bribery and improper benefits, improper gifts and entertainment, as well as whistleblower channels.</p>	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		The Company's “Code of Conduct for Corporate Integrity” and “Code of Ethics for Employees” have established policies to prevent conflicts of interest. If any staff is found to have violated the conflicts of interest policies, it is required to report the matter to the audit department through appropriate channels.	In Compliance with Ethical Corporate Management Best-Practice Principles
(IV) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and is the implementation of the policies to prevent unethical conduct audited by internal auditors who plan according to the assessment of risks of unethical conduct or by CPAs?	V		The Company attaches great emphasis on the correctness and completeness of the financial reporting process and its controls. The Company designs internal control systems for operations with potentially higher risk of dishonest acts, and internal audits are conducted in accordance with the annual audit plan prepared based on the results of the risk assessment, the results and subsequent improvement plans are reported to the Board of	In Compliance with Ethical Corporate Management Best-Practice Principles

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Directors and management for implementation of the audit results. In addition, through the annual internal control self-assessment, each department and subsidiary is required to self-assess the effectiveness of the design and implementation of the internal control system.	
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		The Company has included the “Ethical Corporate Management Best Practice Principles” in the mandatory training program for new employees. Additionally, integrity management-related regulations are advocated through regular company-wide mobilization monthly meetings.	In Compliance with Ethical Corporate Management Best-Practice Principles
III. Operation of the integrity channel (I) 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?	V		In compliance with the “Code of Ethics for Employees”, the company has established employee reporting channels. If someone is found to have violated the rules of integrity management, it must be reported to the manager, the internal audit supervisor or other supervisors at all levels. After receiving the report, the related personnel shall report it to the audit department.	In Compliance with Ethical Corporate Management Best-Practice Principles
(II) Does the company establish standard operating procedures, measures ought to be taken afterwards, relevant confidentiality measures on investigating accusation cases?	V		In accordance with the “Code of Ethics for Employees,” the Company has established appropriate operating procedures for complaints or reports of ethical integrity violations or fraudulent behavior: Email: 1008983@sakura.com.tw Contact number: +886-4-25666106 ext. 827	In Compliance with Ethical Corporate Management Best-Practice Principles

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Does the company provide proper whistleblower protection?	V		The Company has dedicated personnel responsible for handling complaints or reporting cases to ensure that the whistleblower is protected during the whistleblowing process and is not penalized as a result of whistleblowing.	In Compliance with Ethical Corporate Management Best-Practice Principles
IV. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		The Company has published the “Code of Conduct for Corporate Integrity” on the Company's intranet site for employees to review at any time. The Company's website, MOPs and ESG Report also provide detailed information on the content and effectiveness of the Company's ethical practices.	In Compliance with Ethical Corporate Management Best-Practice Principles
<p>V. If the company has its own Code of Ethical Conduct in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe how its operation differs from the Code: The Company has a “Code of Ethical Conduct” and all employees, managers and directors of the Company must comply with this Code and related regulations. There is no material difference between the operation of the Company's “Code of Ethical Conduct” and the content of the “Code of Conduct for Listed Companies”.</p>				
<p>VI. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies (e.g., review and amend its policies):</p> <p>(I) The Company shall comply with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the relevant rules for listed companies or other laws and regulations governing business practices as a basis for implementing honest management.</p> <p>(II) The Company's Rules of Procedures of the Board of Directors has a system for recusal by directors. Any person who has an interest in a proposal listed in the meeting of the Board of Directors or in the legal entity they represent must declare the important content of their interest in the current meeting of the Board of Directors and must not participate in the discussion and vote if it is detrimental to the Company's interests, and must withdraw from the discussion and vote and may not exercise their voting right on behalf of other directors.</p> <p>(III) The Company has established the “Procedures for Handling Material Internal Information and Prevention of Insider Trading” which states that Directors, officers and employees shall not disclose material internal information known to others, nor shall they inquire or collect material internal information of the Company not relevant to their personal duties from those who know material internal information of the Company, nor shall they disclose material internal information of the Company not known to them in the course of their duties to others.</p>				

Evaluation Items	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(IV)The Company shall periodically review and revise the “Code of Ethical Conduct” through a dedicated unit at the Business Planning Office and submit it to the Audit Committee for approval before releasing it for implementation at the shareholders' meeting.				

(VII) Other important information to enhance the understanding of corporate governance operations:

1. The main means of continuing education for the directors of the Company include:

(1) The director of corporate governance shall arrange for the director to take courses in the areas of politics, business or law.

(2) Each director may attend external training as needed.

2. The 2024 annual training of the Company’s Directors and Supervisors is as follows:

Title	Name	Date	Organizer	Course Title	Training hours
Chairman	Yung-Chieh Chang	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3
Director	Yuo-Tu Lin	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3
Representative of the Corporate Director	Gen-Cheng Wu	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		8 May 2024	Greater China Financial and Economic Development Association	Global Economic Outlook for the Second Half of 2024	3
Representative of the Corporate Director	Hui-Hsun Lee	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3

Title	Name	Date	Organizer	Course Title	Training hours
Representative of the Corporate Director	Wen-Su Tsai	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3
Representative of the Corporate Director	Ching-Wen Chang	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3
Independent Director	Jyh-Ren Chen	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3
Independent Director	Yu-Cheng Chen	12 April 2024	Taiwan Investor Relations Institute	Steering the Ship Corporate Wisdom, Governmance Leads the Way Forward	3
		26 July 2024	Taiwan Corporate Governmance Association	Based on TIPS - What an Enterprise Should Do to Prevent and Control Intellectual Property Risks	3
Independent Director	Ming-Yuan Cheng	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3

3. The following studies were pursued by the Head of Corporate Governance in 2024:

Title	Name	Date	Organizer	Course Title	Training hours
Head of Corporate Governance	Hsiu-Chi Chan	7 May 2024	Independent Director Association Taiwan	ESG Policies and the Trend of Corporate Governance at Home and Abroad.	3
		30 May 2024 ~ 31 May 2024	Securities & Futures Institute	Practical Studies of Sustainable Disclosure	9
		7 August 2024	Independent Director Association Taiwan	How the Board Committee Supervised the Post-merger Integration	3
Total					15

4. Succession planning for key management

The selection and cultivation of successors is critical to the sustainable management of a company. Succession planning should keep up with the times and ensure depth of management to create the human resource requirements for sustainable management. In planning for succession, the Company places special emphasis on succession candidates who possess excellent leadership skills, values and personality traits that meet the Company's expectations, including integrity, innovation and customer satisfaction. Quality employees are continually tested for adaptability and excellence through rotations across business units, regions and functional organizations. The company also has a comprehensive layout in all aspects of talent succession training.

① Personnel development project for managers:

Every year, the Company has the senior managers trained in three key areas: “learning courses”, “strategic planning” and “action projects”, and arranges physical courses in a purposeful, systematic and organized manner to improve the vision and height of senior managers and create an outstanding leadership team. The training mode of the project is divided into “Leadership Development”, “Strategy Innovation”, “Organizational Integration” and “Shaping Cultural Values” modules, etc. Through cross-business and cross-functional action learning groups, revolutionary team emotions and common management language are established, a high-quality organizational culture is formed, and the foundation for sustainable management is deeply cultivated.

② Regular goal-oriented appraisal:

To hold senior managers accountable and effectively deliver operating results, the Company conducts meetings and exchanges opinions with top executives and the operating team for annual target setting, annual planning and organizational talent development strategy, and conducts monthly and quarterly operating performance reviews. For the succession team, the Company regularly conducts in-depth meetings with top leaders to guide leaders to breakthroughs and set goals for excellence, while the top leadership team selects successors with high quality potential.

③ Job rotation at develop talents:

In order to enable the Company's successors to broaden their management horizons, increase their international experience and assume great responsibilities in the future, the company set up strategic positions for the functional units of the headquarters, business units and overseas operation bases, and conducts job rotation for talents to train a wide range of management horizons, gain practical experience in business management in response to the constant changes in the business environment, and enhance the strategic thinking and ability to combat ability of the company's successors. The purpose is to train a full range of business management vision, accumulate practical experience in business management in response to the changing business environment, and improve the strategic thinking and globalization ability of the successors.

(VIII) The implementation of internal control

1. The Statement of Internal Control System : The design and the implementation of internal control are all effective, please refer to the “ Statement of Internal Control System” in Market Observation Post System.
2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(IX) Material resolutions of a shareholders meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Shareholders' meeting resolutions and implementation status:

The Company's 2024 Annual General Meeting of Shareholders was held on 19 June 2024 at 9:00 a.m. at Daya Factory, No. 436, Section 4, Yatan Road, Daya District, Taichung City. The important resolutions and implementation status are as follows:

Important resolutions of the shareholders' meeting	Implementation Status
1. Adoption of the Business Report and Financial Statements for 2023.	None
2. Adoption of the Company's Earnings Distribution Proposal for 2023.	A cash dividend of NT\$3.88 per share was distributed. The ex-dividend date was set as 25 April 2024, and the payment date was 22 May 2024.
3. Approval of Rules of Procedure for Shareholders' Meetings	The revised version is released on the Market Observation Post System.

2. Resolutions of the Board of Directors

Meeting Date	Important resolutions of the Board of Directors
4 January 2024	<ol style="list-style-type: none"> 1. Approved the operational plan, budget, and major subsidiary budgets for 2024. 2. Approved the authorization for the Chairman to handle forward foreign exchange transactions within the authorized limit to mitigate exchange rate risks. 3. Approved the revision of the “Contract of Company’s Vice Chairman”.
13 March 2024	<ol style="list-style-type: none"> 1. Approved the Company's strategic investment to promote the development of home furnishing business. 2. Approved of the installation of the automated panel processing equipment for the new Wufeng Plant. 3. Approved the Statement of Internal Control System for 2023. 4. Approved the Business Report and Financial Report for 2023. 5. Approved the Remuneration Committee deliberated the year-end bonus for 2023. 6. Approved the Remuneration Committee deliberated the variable year-end bonus of the Chairman for 2023. 7. Approved the Remuneration Committee deliberated the performance bonus of the Vice Chairman for 2023. 8. Approved the Company’s 2023 earnings distribution proposal. 9. Approved the proposal to distribute shareholder dividends for 2023 in cash. 10. Approval of matters relating to the convening of the 2024 Annual General Shareholders’ Meeting and the acceptance of the shareholders’ proposal rights. 11. Approved SAKURA Home Collection Co., Ltd.’s application for a short-term financing limit from the Pei-Taichung Branch of Hua Nan Commercial Bank, with the Company committed to providing endorsement/ guarantee for the renewal. 12. Approved the assessment of the independence and suitability of the attesting CPAs for 2024, along with the engagement and professional fees proposal for the Company. 13. Approved the advance pre-approval for non-assurance service provided by Ernst&Young Taiwan, and its affiliates entities. 14. Approved the revision of the Company’s internal rules and regulations: "Rules of Procedure for Shareholders' Meetings," "Authority Approval Management Rules," and "Information Security Management Guidelines.
7 May 2024	<ol style="list-style-type: none"> 1. Approved the Remuneration Committee deliberated the distribution of employee’s compensation and director’s remuneration for 2023. 2. Approved the donation to the Sakura Cultural and Educational Foundation. 3. Approved the Financial Report for the first quarter of 2024. 4. Approved the newly appointment of the directors of the investee company Puda Industrial Co., Ltd. 5. Approved SAKURA Home Collection Co., Ltd.’s application for a short-term financing limit from the Shi-Zheng Branch of Taipei Fubon Bank, with the Company committed to providing endorsement/ guarantee for the renewal.

Meeting Date	Important resolutions of the Board of Directors
7 August 2024	<ol style="list-style-type: none"> 1. Approved the Sustainability Report for 2023. 2. Approved the newly appointment of directors and supervisors of subsidiary Svago International Corporation. 3. Approved the distribution of director’s remuneration for 2023. 4. Approved the Financial Report for the second quarter of 2024. 5. Approved the renewal of a short-term financing limit and export bill negotiation limit upon expiry from the Pei-Taichung Branch of Hua Nan Commercial Bank. 6. Approved the renewal of financing limit upon expiry in CTBC Bank. 7. Approved SAKURA Home Collection Co., Ltd.’s application for a short-term financing limit from the Shi-Zheng Branch of CTBC Bank, with the Company committed to providing endorsement/ guarantee for the renewal. 8. Approved the revision of the Company’s internal rules and regulation “for the Internal Audit Implementation” and “Service Policy White Paper”.
11 November 2024	<ol style="list-style-type: none"> 1. Approved the Remuneration Committee deliberated the distribution of employee’s compensation for 2023. 2. Approved the proposal for the establishment of the Chief Brand Officer (CBO). 3. Approved the proposal for the establishment of the Chief Sustainability Officer (CSO). 4. Approved the Financial Report for the third quarter of 2024. 5. Approved the revision of the Company’s internal rules and regulation: “Material Information Handling and Insider Trading Prevention Procedure”: “Procedures for Performance Evaluation of the Board of Directors and Functional Committees”, “Procedures for Supervision” and “Management of Subsidiaries and Affiliates, Technology Transfer Procedures”.
18 December 2024	<ol style="list-style-type: none"> 1. Approved the issuance of employee restricted stock rights by the Company. 2. Approved the change in the Internal Audit Management. 3. Approved the internal audit plan for 2025. 4. Approved the operational plan, budget, and major subsidiaries budgets for 2025. 5. Approved the authorization for the Chairman to handle forward within the authorized limit to mitigate exchange rate risks. 6. Approved the SAKURA Home Collection Co., Ltd.’s application for a short-term financing limit from the Shi-Zheng Branch of CTBC Bank, with the Company limited to providing endorsement/ guarantee for the renewal.

Meeting Date	Important resolutions of the Board of Directors
11 March 2025	<ol style="list-style-type: none"> 1. Approved the Statement of Internal Control System for 2024. 2. Approved the revision of the “Rules and Procedures of Board of Directors Meetings”. 3. Approved the revision of the “Authority Approval Management Rules”. 4. Approved the Business Report and Financial Report for 2024. 5. Approved the revision of the “Articles of Incorporation”. 6. Approved the Remuneration Committee deliberated the year-ended bonus for 2024. 7. Approved the Remuneration Committee deliberated the variable year-ended bonus of the Chairman and Vice Chairman for 2024. 8. Approved the Remuneration Committee deliberated the performance bonus of CEO for 2024. 9. Approved the Remuneration Committee deliberated the distribution of employee’s compensation and director’s remuneration for 2024. 10. Approved the Company’s 2024 earnings distribution proposal. 11. Approved the proposal to distribute shareholder dividends for 2024 in cash. 12. Approved of matters relating to the convening of the 2024 Annual General Shareholders’ Meeting and the acceptance of the shareholders’ proposal rights. 13. Approved the election of the 14th term directors (including independent directors). 14. Approved the proposal on the nomination period, number of directors (including independent directors) to be elected, and the place to be elected. 15. Approved the assessment of the independence and suitability of the attesting CPAs for 2025, along with the engagement and professional fees proposal for the Company. 16. Approved the advance pre-approval for non-assurance service provided by Ernst&Young Taiwan, and its affiliates entities. 17. Approved the newly appointment of directors and supervisors of the investee company EIFEL ENTERPRISE CO., LTD. 18. Approved the renewal of export bill negotiation limit upon expiry and a short-term financing limit from HSITAICHUNG Branch of Land Bank of Taiwan. 19. Approved the renewal of pre-sale (purchase) foreign currency limit upon maturity from Land Bank of Taiwan. 20. Approved the Svago International Corporation’s application for a short-term financing limit from the HSITAICHUNG Branch of Land Bank of Taiwan, with a support letter issued by the Company. 21. Approved SAKURA Home Collection Co., Ltd.’s application for a short-term financing limit from the HSITAICHUNG Branch of Land Bank of Taiwan, with the Company committed to providing endorsement/ guarantee for the renewal. 22. Approved SAKURA Home Collection Co., Ltd.’s application for a short-term financing limit from committed O-Bank and Hua Nan Commercial Bank, with the Company committed to providing endorsement/ guarantee for the renewal.

(X) Major issues of record or written statements made by any director or supervisor dissenting to important resolutions passed by the Board of Directors: None.

IV. Information on CPA Professional Fees

(I) CPA professional fee range:

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period covered by CPA's Audit	Audit Fees	Non-audit fees	Total	Remark
Ernst & Young Taiwan	Yu-Ting Huang Tzu-Ping Huang	From 1 January 2024 to 31 December 2024	4,420	1,180	5,600	The non-audit fees mainly consist of expenses related to tax consulting, transfer pricing reports, review of English financial report, English shareholders' meeting annual reports.

- (II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on Replacement of CPA: None.

VI. The Company's Chairman, General Manager, and Managers in Charge of Its Finance or Accounting Operations Held Positions in the Company's Independent Auditing Firm or Its Affiliates in the Most Recent Year: None.

VII. Changes in Shareholding of Directors, Managers and Major Shareholders:

(I) Changes in Shareholding by Directors, Supervisors, Managerial Personnel and Major Shareholders with a Stake of More than 10 Percent

Title	Name	2024		2025 up to 21 April	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	UNJ Holding Corp. Representative: Yung-Chieh Chang	0	0	0	0
Director	UNJ Holding Corp. Representative: Gen-Cheng Wu				
Vice Chairman	Yuo-Tu Lin	0	0	0	0
Director	Svago International Corporation Representative: Hui-Hsun Lee	0	0	0	0
Director	Svago International Corporation Representative: Wen-Su Tsai	0	0	0	0
Director	Ko Li Te Investment Co., Ltd. Representative: Ching-Wen Chang	0	0	0	0
Independent Director	Jyh-Ren Chen	0	0	0	0
Independent Director	Yu-Cheng Chen	0	0	0	0
Independent Director	Ming-Yuan Cheng	0	0	0	0
General Manager	Hui-Hsun Lee	4,000	0	0	0
Deputy General Manager, Sales Management Division	Tai Chen Chen	0	0	0	0
Deputy General Manager, Manufacturing Management Division and R&D Center	Yih-Yuan Hsu	0	0	0	0
Deputy General Manager, Integrated Kitchen Business Division	Lien-Fa Chen	0	0	0	0
Group Chief Investment Officer and Spokesperson	Hung-Chi Lai	0	0	0	0
Deputy General Manager, Overseas Business Division	Yong-Zheng Chang	0	0	0	0
Director, Import Business Division	Guang-Fei Luo(Assumed Office on 1 July 2024)	0	0	0	0

Title	Name	2024		2025 up to 21 April	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Senior Manager, Brand Management Division	Shu-Chen Teng	0	0	0	0
Senior Manager, Product Management Division	Wen-I Chen	0	0	0	0
Senior Manager, Service Management Division	Jin-Hui Zhong	0	0	0	0
Senior Manager, Digital Application Division and Information Security Officer	Yueh-Tiann Tsai	0	0	0	0
Senior Manager, Business Planning Division	Chiou-Yu Lee (Assumed Office on 1 May 2024)	0	0	0	0
Senior Finance Manager and Head of Corporate Governance	Hsiu-Chi Chan	0	0	0	0
Manager, Human Resource Division	Wan-Ju Liao	0	0	0	0
Manager, Internal Audit Division	Yun-Jhong Lai(Assumed office on 1 January 2025)	0	0	0	0
Senior Manager, Import Business Division	Wei-Hong Chen(Dismissed on 30 June 2024)	3,000	0	0	0
Senior Manager, Internal Audit Division	Chiao-Ho Chen(Dismissed on 31 December 2024)	0	0	0	0

(II) Share transfer information (transaction counterparties are related parties of the Company): None.

(III) Share pledge information (transaction counterparties are related parties of the Company): None.

VIII. Relationship Information, if Among the Company's Top 10 Shareholders Any One Is a Related Party or a Relative Within The Second Degree of Kinship of Another:

21 April 2025

Name (Note 1)	Current Shareholding		Spouse's/ children's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Jin Rong Investment Co., Ltd.	14,200,501	6.42%	-	-	-	-	None	None	Representative : Chang Hsien Wu
Yuan Chi Investment, Ltd.	13,311,536	6.02%	-	-	-	-	None	None	Representative : Hsin-Tao Liao
Ko Li Te Investment Co., Ltd.	13,268,176	6.00%	-	-	-	-	None	None	Representative : Yong-Zheng Chang
Chin Yeh Investment Co., Ltd.	11,013,000	4.98%	-	-	-	-	None	None	Representative : Sheng-Huei Lin No shareholding
Taiwan Sakura Corporation Employee Stock Ownership Trust Property Account of CTBC Bank	10,538,885	4.77%	-	-	-	-	None	None	Employee Stock Ownership Trust Property Account
Far Eastern International Bank Fiduciary Investment Account of Hong Way Property Co., Ltd.	9,465,912	4.28%	-	-	-	-	None	None	Investment Account
Chia Chun Investment Co., Ltd.	5,305,000	2.40%	-	-	-	-	None	None	Representative : Chia-Hung Lin
UNJ Holding Corp.	4,701,000	2.13%	-	-	-	-	None	None	Representative : Yung-Chieh Chang
Ying Qun Holding Corp.	4,378,000	1.98%	-	-	-	-	None	None	Representative , Sheng-Hui Lin, does not hold any shares
Yuan Zhen Investment Co., Ltd.	3,959,000	1.79%	-	-	-	-	None	None	Representative : Zhi-Qiang He
Chang Hsien Wu	1,303,928	0.59%	-	-	-	-	Jin Rong Investment Co., Ltd.	Representative	-
Hsin-Tao Liao	293	0.00%	-	-	-	-	Yuan Chi Investment, Ltd.	Representative	-
Yong-Zheng Chang	67,853	0.03%	7,000	0.00%	-	-	Ko Li Te Investment Co., Ltd.	Representative	-
Chia-Hung Lin	98,000	0.04%	-	-	-	-	Chia Chun Investment Co., Ltd.	Representative	-
Yung-Chieh Chang	416,493	0.19%	355	0.00%	4,701,000	2.13%	UNJ Holding Corp.	Representative	-
Zhi-Qiang He	753	0.00%	-	-	-	-	Yuan Zhen Investment Co., Ltd.	Representative	-

IX. The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: Shares; %

Subsidiary Investments (Investment using the equity method)	Ownership by the Company		Direct or Indirect Ownership by Directors or Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Sakura Enterprise (B.V.I.) Ltd.	17,153,171	100.00%	-	-	17,153,171	100.00%
Svago International Corporation	11,959,750	100.00%	-	-	11,959,750	100.00%
Puda Industrial Co., Ltd.	12,800,419	43.19%	-	-	12,800,419	43.19%
SAKURA Home Collection Co., Ltd.	25,000,000	100.00%	-	-	25,000,000	100.00%
Sakura Pan Pacific Holdings (Singapore) Pte. Ltd.	4,000,000	100.00%	-	-	4,000,000	100.00%

Chapter 3 Capital Overview

I. Capital and Shares

(I) Source of capital:

Month /Year	Issued price (NT\$)	Authorized Capital		Additional Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital (NT\$)	Capital Paid in by Assets other than Cash	Other
10/1988	10	42,000,000	420,000,000	42,000,000	420,000,000	The authorized capital amounts to 420,000,000		
05/1991	10	57,000,000	570,000,000	57,000,000	570,000,000	Capital Increase by Cash of 87,000,000 Capital Increase by Retained Earnings of 63,000,000	None	Approved on 03/11/1990 Zheng Guan Hui Tai Cai Zheng (1) No. 03001
05/1992	10	62,000,000	620,000,000	62,000,000	620,000,000	Capital Increase by Retained Earnings of 50,000,000	None	Approved on 24/04/1992 Zheng Guan Hui Tai Cai Zheng (1) No. 00789
10/1992	10	68,200,000	682,000,000	68,200,000	682,000,000	Capital Increase by Retained Earnings of 62,000,000	None	Approved on 21/07/1992 Zheng Guan Hui Tai Cai Zheng (1) No. 01713
08/1993	10	136,000,000	1,360,000,000	95,160,000	951,600,000	Capital Increase by Cash of 200,000,000 Capital Increase by Retained Earnings of 69,600,000	None	Approved on 31/05/1993 Zheng Guan Hui Tai Cai Zheng (1) No. 01233
01/1995	10	160,000,000	1,600,000,000	142,439,800	1,424,398,000	Capital Increase by Cash of 250,000,000 Capital Increase by Retained Earnings of 127,638,000 Capital Increase by Additional Paid-in Capital of 95,160,000	None	Approved on 17/09/1994 Zheng Guan Hui Tai Cai Zheng (1) No. 38240
12/1995	10	170,000,000	1,700,000,000	164,022,770	1,640,227,700	Capital Increase by Retained Earnings of 73,389,900 Capital Increase by Additional Paid-in Capital of 142,439,800	None	Approved on 29/09/1995 Zheng Guan Hui Tai Cai Zheng (1) No. 38240
07/1996	10	210,000,000	2,100,000,000	190,691,513	1,906,915,130	Capital Increase by Retained Earnings of 102,664,660 Capital Increase by Additional Paid-in Capital of 164,022,770	None	Approved on 30/05/1996 Zheng Guan Hui Tai Cai Zheng (1) No. 34434

Month /Year	Issued price (NT\$)	Authorized Capital		Additional Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital (NT\$)	Capital Paid in by Assets other than Cash	Other
09/1997	10	440,000,000	4,400,000,000	269,392,457	2,693,924,570	Capital Increase by Cash of 500,000,000 Capital Increase by Retained Earnings of 96,317,930 Capital Increase by Additional Paid-in Capital of 190,691,510	None	Approved on 03/06/1997 Zheng Guan Hui Tai Cai Zheng (1) No. 40796
09/1998	10	440,000,000	4,400,000,000	343,617,480	3,436,174,803	Capital Increase by Retained Earnings of 472,857,783 Capital Increase by Additional Paid-in Capital of 269,392,450	None	Approved on 05/08/1998 Zheng Guan Hui Tai Cai Zheng (1) No. 68009
01/2000	10	440,000,000	4,400,000,000	377,979,228	3,779,792,280	Capital Increase by Additional Paid-in Capital of 343,617,480	None	Approved on 05/01/2000 Zheng Guan Hui Tai Cai Zheng (1) No. 111072
11/2001	10	440,000,000	4,400,000,000	188,989,614	1,889,896,140	Capital Reduction to Cover Losses of 1,889,896,140	None	Approved on 27/07/2001 Zheng Guan Hui Tai Cai Zheng (1) No. 140911
08/2002	10	440,000,000	4,400,000,000	207,888,575	2,078,885,750	Capital Increase by Additional Paid-in Capital of 188,989,610	None	Approved on 14/06/2002 Zheng Guan Hui Tai Cai Zheng(1)No.0910132348
08/2003	10	440,000,000	4,400,000,000	228,677,432	2,286,774,320	Capital Increase by Additional Paid-in Capital of 207,888,570	None	Approved on 13/06/2003 Zheng Guan Hui Tai Cai Zheng(1)No.0920126218
05/2005	10	440,000,000	4,400,000,000	233,530,613	2,335,306,130	Capital Increase by Retained Earnings of 48,531,810	None	Approved on 18/05/2005 Jin Guan Zheng (1) No. 0940119717
06/2006	10	440,000,000	4,400,000,000	238,201,225	2,382,012,250	Capital Increase by Additional Paid-in Capital of 46,706,120	None	Approved on 11/07/2006 Jin Guan Zheng (1) No. 0950129666
09/2007	10	440,000,000	4,400,000,000	239,885,225	2,398,852,250	Capital Increase by Employee Stock Options of 1,684,000	None	Approved on 22/11/2007 Jin Shou Shang Zi No. 09601285180
12/2007	10	440,000,000	4,400,000,000	240,083,225	2,400,832,250	Capital Increase by Employee Stock Options of 198,000	None	Approved on 13/02/2008 Jin Shou Shang Zi No. 09701034740
03/2008	10	440,000,000	4,400,000,000	240,413,225	2,404,132,250	Capital Increase by Employee Stock Options of 330,000	None	Approved on 20/05/2008 Jin Shou Shang Zi No. 09701116960

Month /Year	Issued price (NT\$)	Authorized Capital		Additional Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital (NT\$)	Capital Paid in by Assets other than Cash	Other
07/2008	10	440,000,000	4,400,000,000	242,937,057	2,429,370,570	Capital Increase by Retained Earnings of 2,400,832 Capital Increase by Employee Stock Options of 123,000	None	Approved on 11/08/2008 Jin Shou Shang Zi No. 09701199050
10/2008	10	440,000,000	4,400,000,000	258,745,057	2,587,450,570	Capital Increase by Cash of 15,300,000 Capital Increase by Employee Stock Options of 508,000	None	Approved on 21/10/2008 Jin Shou Shang Zi No. 09701268710 The private placement has been listed since 2/7/2018.
05/2009	10	440,000,000	4,400,000,000	258,921,057	2,589,210,570	Capital Increase by Employee Stock Options of 176,000	None	Approved on 11/05/2009 Jin Shou Shang Zi No. 09801092670
08/2009	10	440,000,000	4,400,000,000	260,489,057	2,604,890,570	Capital Increase by Employee Stock Options of 1,568,000	None	Approved on 21/08/2009 Jin Shou Shang Zi No. 09801190880
09/2009	10	440,000,000	4,400,000,000	265,668,478	2,656,684,780	Capital Increase by Retained Earnings of 5,179,421	None	Approved on 22/09/2009 Jin Shou Shang Zi No. 09801217790
08/2010	10	440,000,000	4,400,000,000	270,981,848	2,709,818,480	Capital Increase by Retained Earnings of 5,313,370	None	Approved on 23/08/2010 Jin Shou Shang Zi No. 09901190510
09/2011	10	440,000,000	4,400,000,000	276,401,485	2,764,014,850	Capital Increase by Retained Earnings of 5,419,637	None	Approved on 01/08/2011 Jin Guan Zheng Fa Zi No. 1000035657
07/2016	10	440,000,000	4,400,000,000	221,121,188	2,211,211,880	Capital Decrease by Cash of 55,280,297	None	Approved on 26/07/2016 Jin Guan Zheng Fa Zi No. 1050027345

Type of stock	Authorized Capital			Remark
	Outstanding shares	Unissued shares	Total	
Common shares	221,121,188 shares	218,878,812 shares	440,000,000 shares	-

(II) Information on the shelf registration System: N/A.

(III) List of major shareholders

21 April 2025

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
Jin Rong Investment Co., Ltd.		14,202,501	6.42%
Yuan Chi Investment, Ltd.		13,311,536	6.02%
Ko Li Te Investment Co., Ltd.		13,268,176	6.00%
Chin Yeh Investment Co., Ltd.		11,013,000	4.98%
Taiwan Sakura Corporation Employee Stock Ownership Trust Property Account of CTBC Bank		10,538,885	4.77%
Far Eastern International Bank Fiduciary Investment Account of Hong Way Property Co., Ltd.		9,465,912	4.28%
Chia Chun Investment Co., Ltd.		5,305,000	2.40%
UNJ Holding Corp.		4,701,000	2.13%
Ying Qun Holding Corp.		4,378,000	1.98%
Yuan Zhen Investment Co., Ltd.		3,959,200	1.79%

(IV) Dividend policy and implementation status:

1. Dividend policy as set out in the Articles of Incorporation:

According to the annual financial statements of the Company, if there is a surplus, it should first be used to pay taxes and offset accumulated losses. Then, 10% of the statutory surplus reserve should be set aside (except when the statutory surplus reserve has reached the total capital), and any required allocations or reversals of special surplus reserves should be made in accordance with legal regulations. The remaining balance, along with the accumulated undistributed profits from the previous year, can be distributed as distributable profits. When distributing dividends through issuing new shares, it should be approved by the shareholders' meeting.

For the distribution of dividends and profits that can be distributed from the statutory surplus reserve and capital surplus reserve in cash, it should be approved by the Board of Directors with a resolution passed by a majority of directors present at a meeting with more than two-thirds attendance. The distribution should be reported to the shareholders' meeting.

As the Company has a diverse range of products and it is difficult to distinguish their growth stages, there are significant investments and financial improvement plans in the coming years. However, if the Company obtains sufficient external funding to support significant capital expenditures for the year, a minimum of 10% of distributable profits will be allocated for distributing dividends to shareholders, and at least 30% of the distributed dividends will be allocated for cash dividends.

2. The proposed dividend distribution of the shareholders meeting:

On 11 March 2025, the Board of Directors resolved to allocate NT\$1,039,269,584 from the distributable earnings for 2025 and distribute cash dividends to shareholders at NT\$4.7 per share. The record date for entitlement to dividends is set for 25 April 2025, and the payment date for cash dividends is scheduled for 21 May 2025. Cash dividends are calculated based on the proportion of shares held by shareholders as recorded on the shareholder register on the entitlement date, with fractions of less than one New Taiwan Dollar rounded down. Any fractional amounts less than NT\$1 will be included in the company's other income. In the event of changes in the outstanding shares due to the repurchase of the company's shares or the transfer of treasury shares, causing changes in the number of shares outstanding, the Chairman is authorized to adjust the per-share dividend accordingly.

3. Significant changes in expected dividend policy: None.
- (V) The effect of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results and earnings per share:
The proposed distribution of earnings to be approved by the shareholders' meeting is only a cash dividend, not a gratis allotment of shares. Therefore, it is not applicable.
- (VI) Employee's compensation and director's remuneration:
1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Company's Articles of Incorporation:
If the Company is profitable in the year (before the pre-tax profit deducting the employee's compensation and the pre-paid benefits of the directors and supervisors), it should first set aside 2% to 8% for the employee's compensation and not higher than 5% of the director's remuneration. However, when the Company still has accumulated losses, the amount of remuneration should be retained in advance. The abovementioned employee's compensation targets must include employees of controlled or affiliated companies that meet certain conditions approved by the Board of Directors. The employees' remuneration is based on stocks or cash, while the directors' remuneration can only be paid in cash. The distribution of employee's compensation and director's remuneration should be subject to special resolutions of the Board of Directors and report to the shareholders' meeting.
 2. The basis for estimating the amount of employee's compensation and director's remuneration, for calculating the number of shares to be distributed as employee's compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
 - (1) The Company's calculation of the employee's compensation and the director's remuneration for 2024 shall be based on the pre-tax benefits after deducting the employee's compensation and the remuneration to directors, setting aside 3% of the employee's compensation (NT\$50,682,293) and 1.9% of the director's remuneration (NT\$32,098,785). After the Board of Directors determines the amounts, if there is a difference between the actual distribution amount and the estimates, it will be treated according to the accounting estimates and the difference will be booked as profit and loss of the next year.
 - (2) The Company issued the employee's compensation and director's remuneration of 2024 in cash.
 3. Information on any approval by the Board of Directors of distribution of compensation:
 - (1) The amount of any employee's compensation distributed in cash or stocks and director's remuneration is as follows:
On 11 March 2025, the Board of Directors resolved to allocate NT\$50,682,293 as employee's compensation and NT\$32,098,785 as directors' remuneration. The amounts are consistent with the accrued amounts recognized in the financial statements for 2024.
 - (2) The amount of any employee's compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee's compensation: None.

4. The actual distribution of employee's compensation and director's remuneration for the previous fiscal year:

On 7 May 2024, the Board of Directors resolved to allocate NT\$42,248,881 as employee's compensation and NT\$26,757,624 as director's remuneration. The amounts are consistent with the accrued amounts recognized in the financial statements for 2023 and were distributed in cash.

(VII) Buyback of Common Stock: None.

II. Issuance of Corporate Bonds: None.

III. Preferred Shares: None.

IV. Global Depositary Receipts (GDR): None.

V. Employee Stock Subscription Warrants: None.

VI. Status of Employee Restricted Stock: None.

VII. Basic Information on Companies That Are Merged or Acquired or Whose Shares Are Acquired by the Company: None.

VIII. Financing Plans and Implementation: N/A.

Chapter 4 Operational Highlights

I. Business Activities

(I) Scope of business

1. Main business operation:

The Company is mainly engaged in the manufacturing and trading of water heaters, kitchen appliances and kitchen cabinets.

2. Current major products and their operational share:

Major Product	Water Heater	Kitchen Appliances	Kitchen Cabinets	Others	Total
Revenue ratio	26.3%	32.6%	27.8%	13.3%	100%

3. The products currently sold by the Company and the services provided:

Water heaters, kitchen appliances, sales of the kitchen cabinets, oil filter delivery, product safety inspection, maintenance and other services.

4. New products and services to be developed:

In recent years, compact houses have become mainstream in the real estate market. To make the most of the living area, open kitchens have become a trend, and how to design kitchenware products that strike a balance between aesthetic design and functional space planning has become an important issue for modern living. This is also why the Sakura AI Kitchen was created. The core of the Sakura AI Kitchen's development is based on consumer needs, with research focused on consumer touchpoints. By taking energy conservation, efficiency, and intelligence as standards, the company has initiated the development of new products such as water heaters, kitchen appliances, and water purifiers. New products currently planned to be developed are as follows:

- (1) Smart Range Hood with Intelligent Air Control and Auto Life Close-Range Suction
- (2) Smart Cooking Gas Stove (Grade 1 Efficiency)
- (3) Beauty Skin Bath Water Heater Plus
- (4) Hot and Ambient Water Purifier Plus
- (5) Smart-linkage Induction Hob
- (6) Product Set for Small Living Spaces

(II) Industry overview

1. Current status and development of the industry

(1) Water heaters and kitchen appliances:

Taiwan Sakura has invested in digital forced exhaust products for more than 20 years and is the only manufacturer with sufficient R&D and production capacity in Taiwan. The government's implementation of subsidies for the level 1 and level 2 gas appliances since 2013 has contributed to the sales of energy-saving products. The water heaters and kitchen appliances industry have become more stable in the recent years, and the overall market is getting saturated, which is in turn a mature market. We can only achieve customer satisfaction by continuously investing in R&D and creating innovative and energy-efficient products with high added value. In addition, we continue to introduce innovative kitchen and bathroom products such as built-in appliances and water purification products to meet the diverse needs of customers.

Energy conservation and environmental protection have always been the guiding principles for our product development. We continuously strive to enhance energy efficiency technologies and provide user-friendly solutions, positioning our company as a leader in industry development.

(2) Kitchen cabinets:

With the economic development in Taiwan and the gradual change in family structures, the kitchen is no longer isolated but has evolved into the new core connecting the entire household space. It has shifted from merely fulfilling basic single functions to becoming a multifunctional living center. This transformation in the industry also influences the considerations of consumers and developers when selecting equipment for both renovations and new construction projects.

Looking at the household kitchenware market in Taiwan, it's mostly characterized by decentralized retail factories or stores, or combinations designed by designers. In contrast, Sakura offers more than 30 years of experience in kitchen planning, making it the largest brand in the domestic kitchenware industry. It stands out as the only brand capable of providing comprehensive solutions from planning and design to complete supply and after-sales service, catering to all needs from pre-sale to post-sale. Unlike other manufacturers in the industry, Sakura can independently design and produce cabinets and kitchen appliances. Moreover, with a wide selection of multi-brand imported kitchen equipment available through agents, Sakura is the only brand in Taiwan that truly provides a comprehensive kitchen solution.

While many kitchen appliance manufacturers still adhere to traditional production methods, Sakura insists on "Made in Taiwan" and has supplied hundreds of thousands of kitchen sets to Taiwanese households. With an investment of NT\$200 million in 2023, Sakura introduced AI-automated production equipment and QR code management, enabling more efficient production coordination. Professional testing instruments are used to ensure product quality. In the second half of 2025, the manufacturer is expected to begin integrating its supply chain and producing low volumes with greater diversification, independence, flexibility, and customization in automated environments.

(3) Imported kitchen and home appliances:

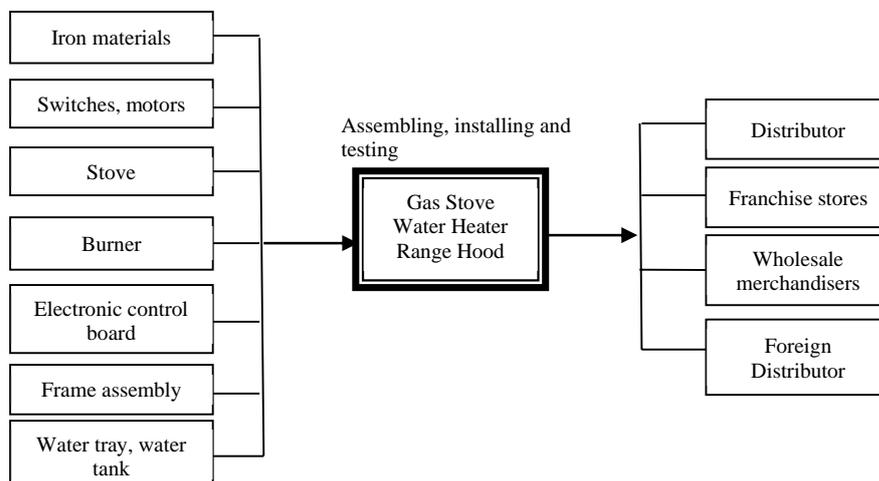
The imported home appliance market is closely related to the kitchenware industry, especially with products like dishwashers, induction cooktops, and ovens being the main complementary products. These three categories have seen significant growth in recent years. The dishwasher market has grown fivefold in the past five years, particularly expanding rapidly in recent years, with an 56% increase in volume compared to the same period in 2024. Induction cooktops, responding to safety requirements and the habits of the new generation, have also seen annual growth rates in the double digits, driven by the increasing adoption in construction projects. Similarly, ovens, microwave ovens, and steam ovens have maintained a stable growth. The significant growth in these imported kitchen appliances reflects the increasing acceptance of imported kitchen appliances and Western cooking methods among Taiwanese consumers. Particularly noteworthy is the market turning point represented by dishwashers and induction cooktops in recent years. The generation born in the 60s and 70s has become the main force in choosing kitchen appliances when buying or changing houses. The trend of dual-income families and smaller households has also driven changes in cooking habits, emphasizing safety, enjoying home life, and changing attitudes towards reducing household chores such as dishwashing, all contributing to the flourishing development of these products.

Taiwan Sakura has observed the steady growth of the import market, and thus, it has adopted a strategy of operating brands at different price points to cater to various consumer groups. In 2023, it introduced the German brand TEKA as a high-end brand to meet the needs of consumers who aspire to European lifestyles. Additionally, it introduced the brand Svago, which also has European heritage and offers more affordable pricing, to meet the demands of the imported mid-range market. These brands, sold exclusively or distributed by Taiwan Sakura, benefit from its comprehensive service system, allowing consumers to enjoy European lifestyles while receiving reliable after-sales service support. This strong collaboration strategy ensures steady sales growth.

2. Association of upstream, mid-stream, and downstream industries

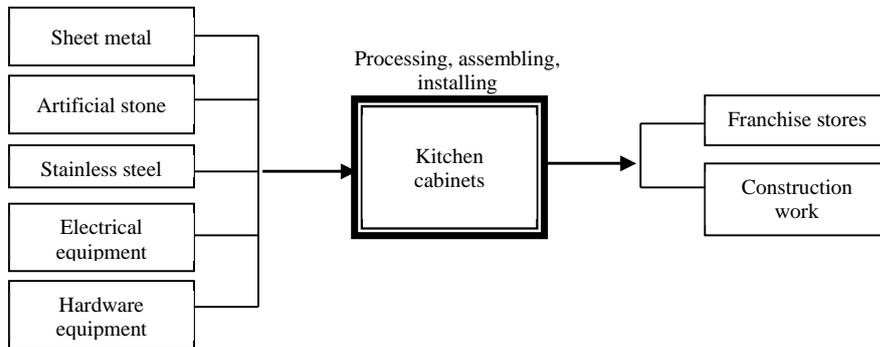
(1) Water heaters and kitchen appliances:

The main raw materials of the water heaters produced by the Company include iron material, switches, motors, stove hobs, burners, electrical control boards, frame combinations, etc. After assembling, installing, and testing all the related components, the Company can distribute and supply the products to foreign manufacturers, distributors, franchise stores and wholesale merchandisers in the downstream. The correlation diagrams of the upstream, midstream, and downstream is shown as follows:



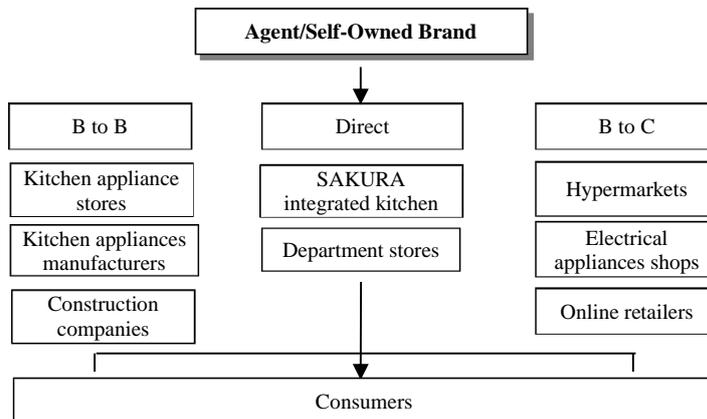
(2) Kitchen cabinets:

The main raw materials of kitchen cabinets produced by the Company include sheet metal, artificial stone, stainless steel, electrical equipment, hardware equipment, etc. After processing and assembling the raw materials, semi-products can be assembled or supplied to the down-stream franchise stores in the market. The correlation diagrams of the upstream, midstream, and downstream is shown as follows:



(3) Imported kitchen and home appliances:

Taiwan Sakura not only sells imported kitchen and home appliances to downstream kitchen appliances stores, direct sales stores, kitchen appliance manufactures, project based construction companies, electrical appliances shops, and hypermarkets, etc. (B to B to C), but also directly operates in department stores and sell directly to consumers (B to C). The correlation diagrams of the upstream, midstream, and downstream is shown as follows:



3. Various development trends of products

(1) Water heaters:

The “Digital water heater” not only features low emissions and high efficiency but also includes intelligent digital thermostatic functionality and multiple safety devices. It can forcefully exhaust waste gas to the outdoors, ensuring a safer and more efficient operation. In recent years, digital water heater has replaced traditional water heaters as the mainstream choice for consumers, and their market share has been increasing year by year.

【Market Share Comparison between Traditional and Digital Water Heaters】



Data source: IPSOS market survey

Sakura specializes in innovative smart products to meet consumer demands. In addition to addressing the issue of low water pressure in older homes with the Turbo Boost Smart Constant Temperature Water Heater, which has been well-received by consumers, we have also introduced the exclusive “Four Seasons Warmth” new smart constant temperature series. This series pioneers intelligent temperature control technology that automatically adjusts the water temperature according to the seasonal climate changes. The integration of smart technology significantly enhances the comfort of consumer bathing experiences and sets us apart from competitors.

(2) Kitchen appliances:

A. Gas stove:

Ever since the government provided subsidies for level 1 and level 2 energy-saving goods in 2013, consumers became more inclined to purchase energy-saving products. In the future, the basic product standard for gas stove products will be based on energy-saving level 2 or above. Currently, the functionality of products is aiming towards the convenience of cooking. In addition to the basic style that conforms to the sophisticated living taste, the introduction of smart control also allows customers to use the stoves more safely and to facilitate cooking.

B. Range hood:

To comply with the demand for open kitchen, the Company plans to continuously introduce range hoods that have super suction as well as intelligent wind control, which can adjust wind speed of the range hood according to smoke volume. All types of stoves can satisfy consumers' demands.

C. Dish dryer:

Product development will focus on addressing user pain points. In addition to meeting the basic drying needs of dishes and utensils, we will further develop products that offer convenient storage, stylish aesthetics, and complement the overall kitchen design.

D. Kitchen appliances:

Electrical appliances in the kitchen area no longer just includes a traditional range hood and gas appliance. More and more electrical equipment such as ovens and steamers are also becoming more common. Currently, we aim to meet the Chinese cooking needs, such as: steaming (steaming oven), stir-frying, cooking (gas stove), deep-frying (microwave, oven) and others. In addition, as most kitchens in Taiwan are small in size, the concepts of light cooking are becoming popular, resulting in good sales volume of IH stove, electric ceramic stove, electrical storage cabinet, etc.

E. Water purifiers:

Water purifiers are no longer hidden devices in the kitchen space. Consumer demand for drinking water safety is gradually increasing, coupled with the need for storage space. Product designs are moving towards multifunctional integration to meet the drinking water needs of households.

(3) Kitchen cabinets:

A. With the increasing emphasis on improving quality of life among domestic consumers, TAIWAN SAKURA has conducted research on the lifestyle behaviors of various types of households. This research, combined with data from servicing 400,000 kitchen designs, has led to the identification of different “lifestyle-oriented” kitchen design modules. This enables us to provide more tailored and comprehensive kitchen planning that aligns with the specific needs of our customers. We combine professional 3D design planning software to create a seamless experience for customers, where the visual representation of their kitchen design closely matches the actual production. This approach allows us to create the best customized experience. The integration of functional concepts and aesthetic styles in our showcased kitchen spaces remains a focus and goal of our continuous development efforts in recent years.

B. To cater to the diverse needs of different consumer segments, we have introduced the high-end Italian imported kitchenware brand TLK. This brand offers a perfect product combination for customers who aspire to a European lifestyle.

C. Exclusive sales channel – SAKURA Integrated Kitchen Lifestyle Store:

Building upon the upgrade to the new fourth-generation store format and the continuous optimization of the consumer experience process in 2022, in 2024, we are launching the second phase of our brand enhancement plan. This phase introduces a new brand concept called “SAKURA KITCHEN” to refine and communicate our brand values. We aim to enhance intelligence at every stage of the process, from the evolution and update of our professional 3D intelligent drawing design system to the production end, ensuring that it is “designable, sellable, and producible.” This integration significantly reduces consumer waiting times and consolidates digital services for after-sales support. Furthermore, we are committed to providing consumers with a unique and unparalleled consumer experience.

(4) Imported kitchen and home appliances:

Smart home appliances have become a global trend in recent years, driven by rapid advancements in technology and the internet. These advancements have led to closer connections and interactions between products and consumers. Another trend closely related to health and epidemic prevention includes features such as sterilization, antibacterial properties, air circulation, and smart cooking menus for healthier meals. As society becomes more advanced, these are increasingly important concerns for consumers. The brands exclusively sold by Taiwan Sakura are at the forefront of technological innovation, continuously integrating world-class advanced technology applications to meet user needs, thereby gaining favor among consumers.

4. Product competition

(1) Water heaters and kitchen appliances:

After the government implemented the fire protection standards on 1 February 2006 in order to ensure the safety of water heaters, the market demand for products has changed and the unit price of consumption has increased. Additionally, the implementation of the licensing system for water heaters installation and piping also emphasized on professional service and brand value. The increased economic and trading interaction across the strait has resulted in many manufacturers moving their production to China and establishing supply channels. As new types of products often require electric or remote-control functions, the overall industrial environment will shift towards competition in technology. Therefore, the traditional supply channels have faced a bottleneck, and brand operators have faced competition beyond pricing, such as providing new experience processes and assisting channel operators in terms of operational management. Well-rounded post-sales customer service and enhanced management platform for the counseling relationship will be the key factors to win the competition.

(2) Kitchen cabinets:

A. In the project market, we are fully embracing the concept of design modules and utilizing standardized specifications to achieve differentiated aesthetic designs. This approach enables us to align pricing and service offerings with market competition, further meeting the diverse needs of developers. We also provide lifelong free after-sales service to homeowners, assisting developers in building competitiveness and creating differentiation. Through our strong brand power, sales capabilities, and service excellence, we collaborate with developers to enhance the added value and sales conversion rates of their projects. Our goal is to become the leading brand in the project market.

B. In the retail market, SAKURA Integrated Kitchen Lifestyle Stores have the ability to accurately understand consumers' different lifestyles and provide customized designs that encompass measurement, design, installation, and consultation services. As the only company in Taiwan with a dedicated sales channel advantage, we offer comprehensive solutions to meet their specific needs. We have introduced a new evolved fourth-generation store image and implemented standardized operating procedures (SOP) at our stores. Furthermore, we provide comprehensive education and training to our franchisees. These efforts aim to establish a higher-quality chain system and ensure that consumers receive better kitchen consultation services and an enhanced kitchen lifestyle consumer experience.

(3) Imported kitchen and home appliances:

The change of Taiwanese people's dining habits (Chinese cuisine + Western cuisine + baked goods) resulted in increased use of imported kitchen appliances and market potential, yet caused more intense market competition. For example, in recent years, other agents have also introduced smaller Eastern European

brands to Taiwan in an attempt to divide the import market with European products.

In recent years, many large and small-size household appliances from Poland (Eastern Europe), Turkey (Southern Europe) and China (Asia) have gained popularity for their affordable price and quality, while Korean manufacturers received government subsidies, which led to many OEMs in Western Europe being restructured or acquired. Therefore, Taiwan has experienced problems such as “supply abnormality” or “high product homogeneity”, and so on, while the rights of Taiwanese consumer were affected with respect to imported kitchen appliances, and even become the “service orphans of imported kitchen appliances.”, customers often have difficulty finding the channel to consult the usage of the product and the repair after-service.

The kitchen appliances imported by Taiwan Sakura are mainly based on Taiwan’s market and consumers’ demands. The innovative functions, convenient ergonomic use, minimalist European style design and craftsmanship of the kitchen appliances all together bring consumers a more convenient, fun and stylish lifestyle, demonstrating Taiwan Sakura’s solid operation to fight against market competitors. Nonetheless, the imported products also provide support to Taiwan Sakura Group’s service, giving consumers and stores more confidence and trust while buying and selling products.

(III) Research and development:

1. Research and development expenditure for the most recent year and the three months period prior to completion of the annual report

Item/Value/Year	2024
R&D expenses (in NG\$ thousands)	91,432
Proportion of revenue	0.95%

2. Successfully developed products or technology over the past year are as follows:
 - (1) Intelligent Gas Stove Touch Control System
 - (2) Gas Stove Temperature Detection System
 - (3) High-Efficiency Gas Stove Combustion System
 - (4) Analysis of Gas Mix System Design
 - (5) Large-Capacity Water Heater Combustion System
 - (6) Intelligent Remote-Control System
 - (7) Multi-Stage Combustion Small Digital Control System
 - (8) Water Heater Horizontal Combustion System
 - (9) Heat Exchanger at Grade 1 Efficiency
 - (10) Automatic Temperature Setting Function of Water Heater
 - (11) Hand-Gesture Control System
 - (12) Air Detection Range Hood
 - (13) Zone Quick Drying Electric Control System
 - (14) Multi-Product Universal Smart Maintenance Detection System
 - (15) Multi-Function High-Frequency Wireless Remote Controller
 - (16) Multi-Function Water Purifier Faucet Controller
 - (17) DC Brushless Motor Control Technology
 - (18) IH Stove Control System
 - (19) Undersink Hot and Ambient RO Water Purification System
 - (20) AI-Powered Heat Sensing Control System

(IV) Long-term and short-term business development

- (1) Innovation and Development of Intelligent Products: Leveraging AI technology to drive product innovation and deepen data-driven decision-making models, the Company is transforming into a “Smart Manufacturing + Smart Services” enterprise to enhance user experience. By integrating AI-powered kitchen appliances, ecosystem integration technologies, and green energy-saving solutions, the Company creates differentiated market value, strengthens competitive advantages, and solidifies its leading position in the industry.
 - (2) Diversified Channel Development and Optimization: The Company is establishing new marketing channels, expanding its presence in modern retail formats, and deepening cooperation within the real estate development market. By setting up brand experience centers and enhancing digital marketing efforts, the Company aims to increase consumer reach and conversion rates.
 - (3) Expansion into New Market: The Company continues to deepen its presence in the home living market by reinforcing its collaboration models with property developers. Leveraging its existing brand strength, channel coverage, and service capabilities, it seeks to boost competitiveness in whole-home renovation. At the same time, the water purification product line is being expanded, with improved water quality monitoring and intelligent management capabilities, to penetrate further into the retail market and increase brand presence.
 - (4) International Market Development: Focusing on China and Vietnam as core markets, the Company adopts a dual-track strategy combining brand management with OEM/ODM operations to increase market penetration abroad and build globally competitive brand strength.
 - (5) ESG Sustainable Development: The Company is committed to low-carbon manufacturing and is expanding its line of energy-efficient smart appliances to comply with international environmental regulations and ESG standards. It is also strengthening its intellectual property portfolio to raise technological entry barriers and enhance market competitiveness.
1. Short-term business development plan
- (1) Brand reinforcement and upgrade
Strengthen the "AI Smart Kitchen" brand value through AI-driven branding strategies. Enhance the SAKURA iCare smart service platform to create more efficient after-sales experiences and elevate brand loyalty.
 - (2) Smart kitchen appliance development
Aggressively promote AI-enabled products such as the AI range hood, dual-flame gas stove, and smart water purifier. Expand into additional appliance categories, including IH induction cooktops, ovens, and steamers. Leverage existing distribution networks while developing new sales channels such as e-commerce and department stores.
 - (3) Growth in integrated kitchen solutions
Optimize the retail operations model and refine the customer journey design to comprehensively enhance engagement and service quality. Strengthen partnerships in the construction project market by leveraging AI big data to deliver precise solutions and maximize long-term collaborative value.
 - (4) Supply chain and production efficiency enhancement
Operationalize the Wufeng Smart Factory, implementing smart production management systems to increase production flexibility and market responsiveness. Improve production-sales coordination to ensure stable supply and boost operational efficiency.

II. Market and Sales Overview

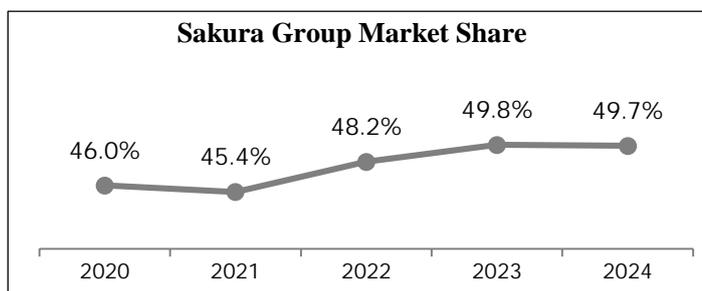
(I) Market analysis:

1. Sales area of major products

Major product	Major market	Major area
Water heaters	Domestic sales 88.6%; exports 11.4%	Taiwan, Asia, North America
Kitchen Appliances	Domestic sales 92.2%; exports 7.8%	Taiwan, Asia, North America
Kitchen Cabinets	Domestic construction site, chain store	Taiwan

2. Market share:

According to market research data, the Company is the market leader in gas appliance products and kitchen products.

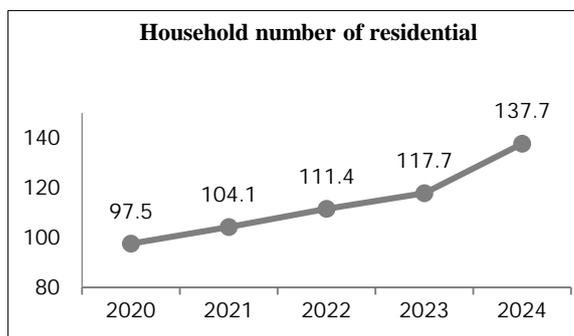
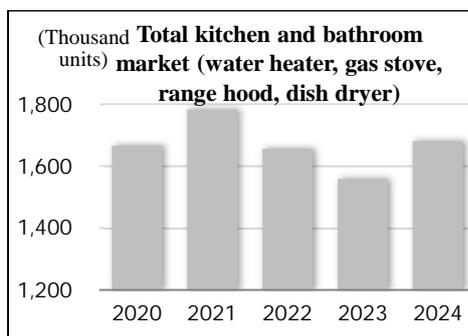


Data source: IPSOS market survey

3. The supply and demand situation and future growth of the market

(1) Water heaters and kitchen appliances:

The overall volume of the kitchen and bath electrical market in Taiwan remains stable, with an average annual range of 1.5 to 1.6 million units. Occasional government energy-saving subsidies or stimulus programs can stimulate consumers to make purchases in advance, creating a sales boost. While the overall market increment is not significant, Sakura has been deeply engaged in research and development, leading product innovation, promoting product upgrades, and implementing price and volume transfer strategies. This continuous effort has been driving the overall value enhancement of the industry.



Data source: IPSOS market survey Data source: Department of Construction, Ministry of the Interior

In terms of overseas expansion, the Company currently sells products in Mainland China, Hong Kong, the United States, Canada, Vietnam, Myanmar and other countries. In addition to establishing subsidiaries to operate in local markets, we are also diversifying into the international market through brand representation or design OEM. In the future, we will continue to operate under international brands and actively explore business opportunities with international manufacturers to promote the growth of the overseas market.

(2) Integrated kitchen cabinets:

As lifestyles evolve, the development of kitchen-centric spaces will be more prominently expressed in overall home design. Having a perfectly functional open-plan dining and kitchen space has become a major trend nowadays, especially with the noticeable trend towards compact and refined homes. Consumers have higher expectations for residential spaces and functionality, which creates great potential for the kitchen appliance market in the future.

It is projected that the housing market will continue to experience a trend of increased property transactions, the number of newly constructed residential units is expected to continue growing. Moreover, the continued fermentation of the benefits from upgrading the fourth-generation stores of the SAKURA Integrated Kitchen Lifestyle Store throughout Taiwan will persist. We are committed to enhancing the competitiveness of our overall kitchen offerings by introducing more high-quality kitchenware and high-performance equipment. This will help drive up the average unit price and provide better value to our customers.

(3) Imported kitchen and home appliances:

Due to changes in generation and lifestyle, Taiwanese people's standards of living have gradually increased and even become bipolar; one end of the M-shaped society has increased recognition in European and American brands. Cooking at home and using various kitchen appliances have also increased the trend of diversified cooking. As a result, the volume of imported kitchen appliances will continue to grow. Recently, especially regarding dishwashers, the growth is even more apparent in this regard.

4. Niches in competition

(1) Innovative R&D capabilities:

The Company has the most powerful R&D team in the industry in terms of gas burners and kitchen cabinets appliances. We actively introduce and train critical technology R&D talents and invest in leading-edge research on key technologies and modules.

We cooperate with external professional academic research institution teams to develop technologies such as combustion, electronics, and electrical engineering. The industrial design is also utilized to allow new products be more intelligent and innovative, so that products can match well with the interior design styles to maximized consumers' living safety and convenience, which align with our core value of Creator of a Better Home Life.

(2) Strong marketing system:

In terms of kitchen appliances and water heater products, the Company has 9 general distributors, who have nearly 4,000 distributors and offices throughout the nation. On the other hand, kitchen cabinets currently have more than 100 exclusive chain channels, "The SAKURA Integrated Kitchen", which recently joined the business operation. Recently, we have also actively invested in different sales channels and continued to restructure channels and establish new sales models to maintain our market channel position.

(3) Well-rounded service policy:

Enabling everyone to create life rituals and enjoy a beautiful life is the belief that SAKURA upholds. While creating our products, we also contemplate how to make beauty eternal, staying vibrant in everyday life and not fading with time. And the commitment to providing everlasting after-sales service is the strongest guarantee for a wonderful life.

“SAKURA iCare” is not just a simple after-sales service; it is a gentle and unwavering declaration from Taiwan Sakura to consumers: because we care about you at all times, we provide five major services that are “permanent” and “free,” creating an everlasting sense of security and protection in consumers' lives!

Since 1978, SAKURA has continuously introduced the following services:

- Free lifetime safety inspections for water heaters, ensuring the healthy operation and uninterrupted hot water supply of SAKURA water heaters.
- Free lifetime delivery of oil nets for range hoods, ensuring the powerful suction performance of SAKURA range hoods.
- Free lifetime kitchen inspections, allowing SAKURA kitchens to consistently create a safe and delicious living environment.
- Free lifetime inspections of water purifiers, maintaining high-quality water filtration standards for pure and refreshing drinking water.
- Free lifetime space inspections/updates and planning, elevating SAKURA households to a higher level for a better living experience.

iCare

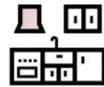
Caring at all times, guarding for eternity



Water heater safety inspection



Delivery of cooking oil net to your home



Kitchen inspection



Water purifier inspection



Space inspection/ Update planning

In order to uphold unwavering protection, we actively embrace change. Sakura's service has undergone a comprehensive upgrade. Simply scan the QR code to instantly access SAKURA iCare: Our new CRM system is designed to create personalized profiles, enabling us to anticipate your needs in advance. The UCC platform allows us to listen to your feedback and not miss out on important messages. The precise GPS system enables us to take immediate action and fulfill your needs in real time. “SAKURA iCare” delivers innovative and intelligent services that make it easy for you to enjoy a wonderful life.

The Company’s nationwide sales offices and service stations are already mature, in compliance with the headquarters’ after sales service policy. The Company provides consumers with a high level of assurance and satisfaction through the Company’s after sales service guarantee, fulfilling the Company’s promise to serve consumers for a lifetime.

5. Advantages and disadvantages of long-term development and response strategy
 - (1) Water heaters and kitchen appliances:
 - A. Advantages:
 - (a) The Company is actively exploring the global market. The manufacturing and operational management capabilities of the mainland China plants are constantly improving, which will help develop business opportunities with OEM/ODM international companies and expand overseas markets.
 - (b) The Company has 9 general distributors and sales offices throughout the country, and exclusive channel – The SAKURA Integrated Kitchen. The Company has also been actively engaged in the operation of the wholesale channels to build a complete marketing network.
 - (c) Well-rounded service policies and systems, the integration of the after-sales service platform (SAKURA iCare), and active service have established an outstanding brand image for the Company.
 - (d) Professional R&D team and introduction of synchronous engineering development system can effectively shorten development time.
 - (e) In line with the release of fire protection regulations, consumers’ safety awareness has risen, and the replacement purchase market has increased.
 - (f) The diversified brand management model shifted the target consumer group towards younger generation and gradually operate the next generation of consumer groups.
 - B. Disadvantages:
 - (a) The replacement years of the kitchen supplies in Taiwan have increased due to the improvement of technology and quality.
 - (b) The competition within the industry is becoming more and more intense; low-end and local brands are still using price as their main competitive means, which is unfavorable in terms of overall industry development.
 - C. Responsive strategy:
 - (a) Introduce the NPS manufacturing system to create a flexible yet cost-effective production operation model.
 - (b) Effectively integrate procurement resources and strengthen production technology capabilities to provide cost-competitive products.
 - (c) Master the consumption and market trends, develop new products and integrate product lines to create added value and differentiation value for products.
 - (d) Improve channel management, avoid price competition, increase product loyalty, and prevent market intrusion by competitors.
 - (2) Kitchen cabinets products:
 - A. Advantages:
 - (a) The only publicly listed kitchen industry brand in the country, with the highest nationwide brand recognition in the kitchen sector.
 - (b) Possessing the nation's largest kitchenware chain store network, “The Sakura Integrated Kitchen”, which has been fully upgraded to the fourth-generation store format. Coupled with impeccable service quality, it delivers an enhanced consumer experience.
 - (c) The only kitchen professional trainer in the country: the “Culinary University”, trains kitchen design talents every year. There are now more than 200 qualified designers in the country.
 - (d) Having the professional capability to independently research, design, and manufacture kitchen cabinets and equipment, achieving the optimal integration and coordination between kitchen cabinets and electrical appliances.

- (e) The upgraded “SAKURA iCare” service system integrates a comprehensive customer service center and a complimentary kitchen inspection service. To provide consumers with more immediate convenience in warranty repairs and professional services, we aim to establish the strongest brand fortress for TAIWAN SAKURA.
- B. Disadvantages
 - (a) Our product price and customer groups overlap with existing competitors.
 - (b) Competitors often confuse consumers with low-cost sales strategies.
 - C. Responsive strategies:
 - (a) Integrate procurement resources, streamline processes and management, and effectively reduce operating costs.
 - (b) Integrating kitchen design planning into a more diversified and intelligent range of household appliances.
 - (c) Strengthen chain-operating “Know-how”, management and coaching, and effectively replicate successful storefront business models to increase market share
 - (d) Integrate procurement resources, streamline processes and management, and effectively reduce various operating costs.
- (3) Imported kitchen and home appliances:
- A. Advantages:
 - (a) Taiwan Sakura Company possesses an absolute advantage in terms of its local sales service network and corporate strength, which serve as strong support for imported goods.
 - (b) With the competent after-sales staffs of the Sakura Group, timely service is instantly satisfied.
 - (c) The exclusive channel to the largest kitchen chain in the country - “SAKURA Integrated Kitchen” stores, Kitchen cabinets products, “Sakura Home” and complex network of kitchenware sales channel. We are the imported brands’ first choice as domestic collaboration partners.
 - (d) Exclusive General Agent – Sole distributor in Taiwan for TEKA, a prestigious German brand with over a century of history, and Svago, a European brand specializing in built-in kitchen appliances.
 - B. Disadvantages:
 - (a) The post-pandemic era has brought about uncertainties such as the Ukraine-Russia conflict, the Red Sea crisis, which have led to global transportation disruptions and increased costs of raw materials from factories. Additionally, the inflationary pressures in Turkey have impacted the supply chain, while rising interest rates in various countries have tightened consumer spending.
 - (b) Major competitions have long been deeply entrenched in the Taiwan market and have become leaders in certain categories that account for specific market shares, yet they actively invest in resources.
 - (c) Competitors of new agent brands are also actively exploring the market, intending to divide Taiwan's high-end imported electrical goods market.
 - (d) Domestic brands adopt low-cost original equipment manufacturer and homogenous product sales strategies to actively divide the market.
 - (e) After the central bank initiated mortgage restrictions, it is expected that the supply of new housing projects will decrease in the future, leading to intensified competition in the imported kitchenware market and making it difficult to maintain a balance between product price and quality.

C. Responsive strategies:

- (a) The home kitchen market has transitioned into the post-pandemic era, experiencing rapid changes in consumer behavior over the past five years. Initially benefiting from the “stay-at-home” lifestyle, it has now shifted towards a surge in retaliatory travel over the last two years. This trend is expected to squeeze domestic consumption markets. Amidst stabilizing market demand fluctuations, continuous research into user needs and the introduction of innovative products that meet market expectations are essential to foster positive word-of-mouth and drive overall market growth.
- (b) Employing a dual-brand strategy, with TEKA positioned for the mid-to-high-end market and Svago targeting entry-level segments, leveraging strong product offerings to benchmark against leading brands. This dual-brand approach acts as a pincer movement, warding off other competitors.
- (c) Actively developing Svago products and brand to create market reputation and recognition.
- (d) Deepening experiential marketing by allowing consumers to personally experience the superiority of the products. Sakura has established three “Imported Kitchen Appliance Experience Centers” across Taiwan, continuously promoting cooking classes and experiential tutorials.
- (e) Actively utilizing internal group channels to jointly expand sales, comprehensively engaging with the market.
- (f) Actively managing high-end department store channels, enhancing brand image and visibility through exquisite counter displays, thereby driving overall sales volume.
- (g) To balance the fluctuating demands of the real estate market, continue to cultivate retail storefront channels.
- (h) Managing designer channels, enhancing brand recognition through expert recommendations.

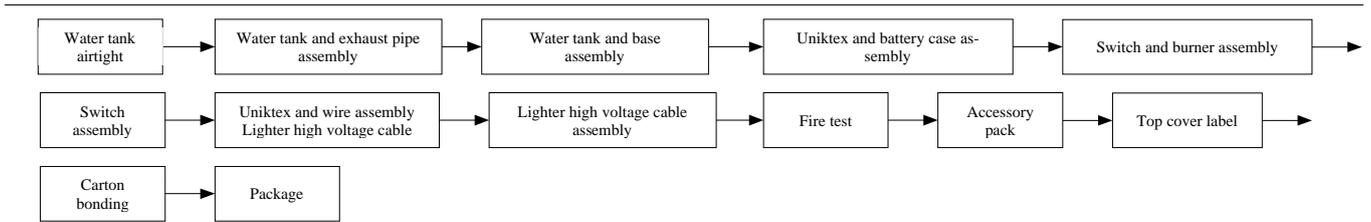
(II) Important Uses and Production Processes of Main Products

1. Important uses of major products:

- (1) Water heater: A hot water supply for cleaning or bathing.
- (2) Range hood: An appliance to eliminate kitchen fumes and keep the kitchen clean.
- (3) Gas stove: An appliance to cook in the kitchen.
- (4) Dish dryer: An appliance to clean tableware.
- (5) Kitchen cabinets: Accessories for the countertop cabinet equipment used for cooking in the home kitchen.

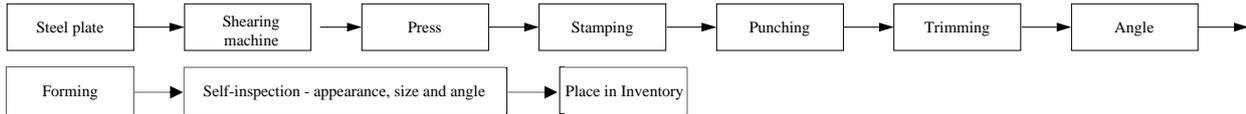
2. Production processes of major products:

Water heater production flow

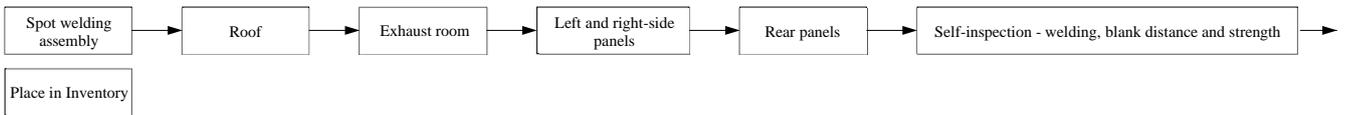


Range hood production flow chart

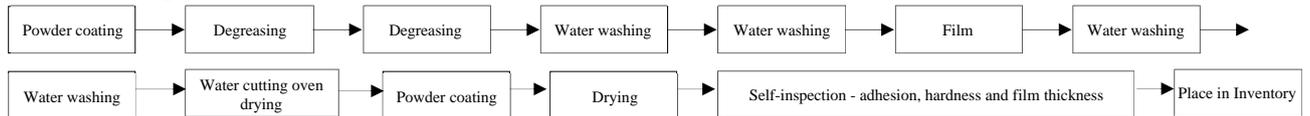
【 Press section 】



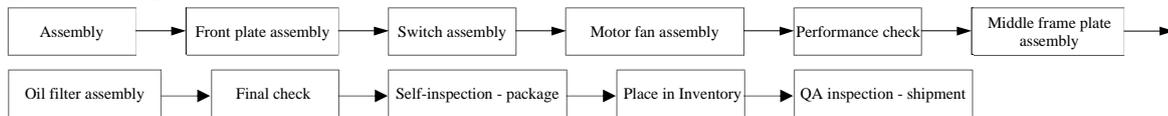
【 Sheet-Metal Section 】



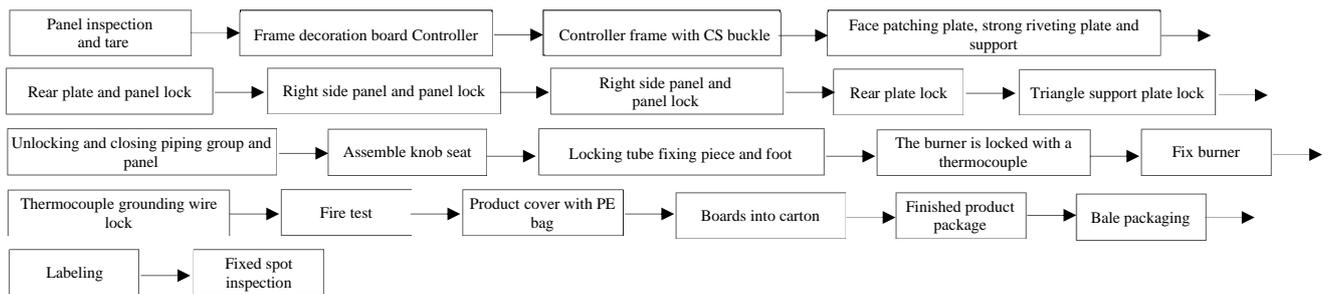
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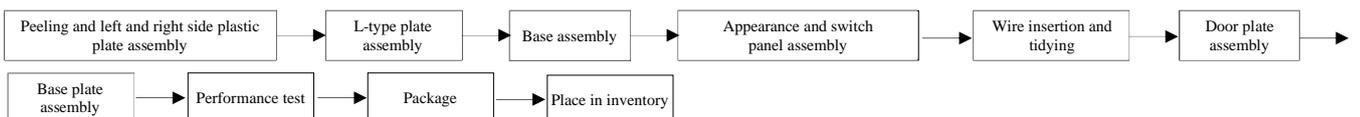
【 Assembly section 】



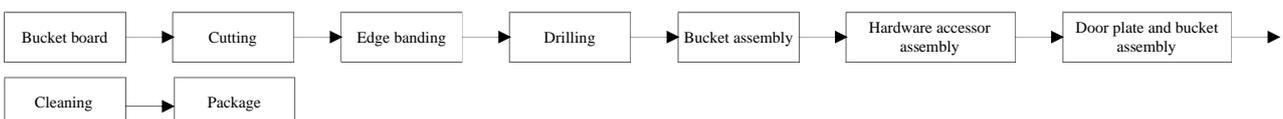
Gas stove production flow chart



Dish dryer production operation flow chart



System kitchenware production flow chart



3. Supply situation for the company's main raw materials

Main Products	Main Raw Materials	Primary Sources	Supply Situation
Water heaters	Water tank, exhaust duct, switch, burner, etc.	Domestic and China region.	Good
Kitchen appliances	Steel plate, motor, fan blade, chassis, etc.		
Kitchen cabinets	Gas appliances, sheet metal, aluminum, artificial stone, etc.	Domestic and European region.	

4. A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years:

(1) Main procurement suppliers: None.

(2) Main sales clients:

Unit: NT\$ Thousands

2023				2024			
Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
Company C	1,427,564	17.3	None	Company C	1,555,418	16.2	None
Other	6,844,851	82.7		Other	8,045,451	83.8	
Net Sales	8,272,415	100.0		Net Sales	9,600,869	100.0	

Reason for increase/decrease: No significant changes observed between the two periods.

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

Fiscal Year		As of 31 December 2023	As of 31 December 2024	Current year up to 31 March 2025
Number of employees	Direct Manufacturing Employees	405	400	394
	Indirect Manufacturing Employees	138	150	149
	Sales Employees	376	382	377
	Administrative Employees	103	105	108
	R & D Employees	52	57	57
	Total	1,074	1,094	1,085
Average age		39.09	39.43	39.66
Average years of service		8.05	8.49	8.65
Education distribution percentage (%)	Ph.D.	0.2%	0.2%	0.2%
	Master's degree	6.6%	7.6%	7.8%
	College	48.3%	48.1%	48.1%
	Senior high school	22.7%	23.5%	23.8%
	Below senior high school	22.2%	20.6%	20.1%

IV. Disbursements for Environmental Protection:

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:

- (I) Total losses and penalties incurred due to legal or regulatory violations in the most recent fiscal year and up to the date of publication of the annual report:

Date	Factory	No.	Violation of regulatory	Details of Violation	Penalty
22 March 2024	Shengang Factory	Taichung City Environmental Protection Bureau Letter No. 1130019273	Article 7, Paragraph 1 and Article 40, Paragraph 1 of Taiwan's Water Pollution Control Act	The concentration of substances in the discharged effluent exceeds the effluent discharge standards.	NTD\$153,000

- (II) Future countermeasures and potential expenditures:

1. Replace discharge pipelines and clean discharge channels to reduce the release of residual materials from the pipe walls into the environment.
2. Purchase microcomputer-based suspended solids controllers to monitor suspended solids (SS) continuously. °

V. Labor Relations:

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

1. Employee's welfare package

In order to promote the welfare measures of employees and support their needs in terms of work, life, safety, health, etc., which offer employees a wide variety of subsidies and benefits in addition to their salaries and wage, increasing employee's loyalty to the Company. The Company plans welfare measures and programs to promote physical and mental health, which are described as follows:

- (1) The Employee Welfare Committee has been established in accordance with the law to actively promote various employee welfare programs and provide grants and benefits such as birthday gifts, wedding and funeral grants, maternity grants, injury and illness grants, and educational scholarships for Sakura's children.
- (2) The Sakura Cultural and Educational Foundation was established to provide annual subsidies and benefits such as employee and children's education scholarships.
- (3) Every year, Sakura Family Day or small-scale activities are held to strengthen the bond between Employees' families and the Company.
- (4) Provide a group insurance plan for employees to strengthen employee care.
- (5) Provide on-the-job training on occupational safety, environmental protection, health and safety.

- (6) We express our appreciation to our employees during the Spring Festival, May 1 Labor Day, Mid-Autumn Festival, annual spring reception, and employee birthday celebrations.
- (7) Encourage employees to form recreational groups of various kinds to enrich their leisure life.
- (8) Provide annual grants for continuing education for employees to encourage them to enrich themselves and develop other skills in work and life.
- (9) Hold annual seminars on health, management, or humanistic care topics to refresh employees' knowledge outside the workplace.
- (10) Establish an employee stock trust system and company bonuses to protect employees' retirement life.
- (11) In accordance with the Company's Articles of Incorporation, 2% to 8% of annual profits shall be set aside for employee's compensation. Therefore, both parties can share operating results.

2. Employee education and training

- (1) TAIWAN SAKURA believes that talents are one of the Company's most important assets. We therefore provide necessary and appropriate training and development courses so employees can improve work quality and performance. We can also reach consensus with employees to ensure that the Company's business objectives are achieved and to continuously create the Company's core competitive advantages.
- (2) The expenditure on employee education and training in 2024 was NT\$3,813 thousands. The related education and training courses are summarized as follows:

Internal and external training courses	Total number of people	Total hours
Management course	629	4,520
Manufacturing course	255	1,620
Marketing course	85	595
Human resources course	157	525
R&D technology course	280	1,420
Financial accounting course	61	220
Computer information course	288	980
Labor safety and health course	3,220	8,850
Self-Development Course	45	315
Indirect employees newcomer education training course	145	580
Total	5,165	19,625

(3) Employee education and training methods:

To cultivate talents at all levels and unleash the potential of employees to achieve organizational goals, the Company has established comprehensive and detailed employee development and training policies. We systematically implement various training courses to ensure that all employees possess the necessary skills to perform their jobs effectively. To ensure the effectiveness of training, our training system is standardized as follows: new employee orientation, specialized/level-specific training, project-specific training, on-the-job training (OJT), and off-site training. In response to the changing consumer patterns in the post-pandemic era, we continue to strengthen digital transformation, innovation, and the use of digital tools, as well as courses related to social media marketing. In 2024, our employees could access diverse courses, such as the use of the digitalization, online marketing, and personal growing. This is aimed at enhancing the competitiveness of our employees.

The Company expects to be able to develop talents required for each job through a comprehensive employee education and training system to ensure product quality and improve operational efficiency. By doing so, we can gain trust from our customers and achieve outstanding results for our customers, shareholders, the Company and employees.

3. Retirement system and its implementation

In order to protect the life of employees after retirement, the Company has established a retirement scheme based on the Labor Standards Act. Any employee who has served at the Company for more than 15 years and has reached the age of 55, or one who has served for more than 10 years and has reached the age of 60, or one who has served for more than 25 years can apply for voluntary retirement. The human resources department regularly reviews the list of employees who will retire at the age of retirement, and understands employees' retirement wishes in advance, and provide guidance to employees in career planning.

The employees joined before 30 June 2005, the Company reserve the labor retirement reserve Fund (The old fund) amounted to 2% of the total salary paid to CTC labor pension accounts according to Labor Standards and Labor Pension Act. As of 31 December 2024, the above-mentioned labor pension reserve fund account balance was NT\$155,066 thousands. The provision can meet the current retirement needs of relevant employees.

All employee available for The Labor Retirement Reserve Fund, the Company reserve the fund amounted to 6% of the total salary paid to individual retirement reserve account. In addition to the employer's fixed monthly contribution of 6% of the pension, employees can also choose to withdraw from 0% to 6% of the pension according to their personal wishes, and deposit them into the individual retirement reserve account.

In October 2003, the Company established a trust system for employee shares. Employees who have been with the Company for at least six months can apply for the scheme and purchase shares of the Company with a fixed monthly withdrawal amount per person and a 200% bonus amount from the Company to help employees save and accumulate long-term wealth. As a result, this system also increases the participation of employees in the Company, as well as enabling employees to share the benefits with the Company and enhancing the protection of retirement life.

4. Employer and employee agreements and the maintenance of various employee rights

Since the establishment of the Company, both employers and employees have set up work rules and held regular employer and employee meetings to communicate adequately so that both parties can work closely together. The Company has set up an Employee Welfare Committee, which organizes different kinds of group networking events from time to time to establish a strong relationship between employers and

employees. In addition, this Committee is also considered as a communication channel for employees to provide opinions or suggestions.

5. Measures to protect employees' rights and interests.

The Company has legally established both an Employee Welfare Committee and a Safety and Health Committee. These audit units regularly review the allocation and utilization of workers' welfare funds, the allocation and disbursement of retirement funds, and the establishment of safety and health behaviors and habits. The Company also enhances the dissemination of company policies, systems, and various welfare measures through internal education and training programs, company monthly meetings, communication platforms like “Sakura People Line,” internal publications such as “Sakura E-Quarterly” and “Sakura Express,” as well as through regular and ad-hoc communication meetings.

(II) The losses incurred due to labor disputes in the most recent fiscal year and up to the printing date of the annual report are as follows:

Date	No.	Violation of regulatory	Details of Violation	Penalty
15 March 2024	Taipei City Labor Bureau Letter No. 11360057941	Article 32, Paragraph 2, Article 24, Paragraph 1 And Article 24, Paragraph 2 of the Labor Standards Act	Overtime work exceeded the legal limit, Failure to pay wages for overtime work in accordance with regulations, Failure to pay wages for work performed on rest days as required by law	NT\$150,000

(III) Work environment and protection measures for employees' personal safety

The company performs regular maintenance on fire protection equipment, alarm equipment, and evacuation and escape equipment to ensure normal use, and declares maintenance in accordance with the law. The factory is also equipped with a flammable gas leakage detection and alarm system, automatic shut-off value system, and special workplaces are regularly sampled and monitored. First aid kits, AEDs and nursing staff are also installed to ensure the safety of employees' working environment.

The Company regularly holds relevant safety and health education and training courses, such as electrical safety, the use and management of hazardous chemicals. For fire safety, the Company holds relevant fire drills every six months to enhance the necessary concept of disaster prevention for employees such as follows:

1. In February and August of each year, professional organizations are entrusted to perform environment inspection of the work sites. Inspection items include organic solvents, dust and noise, etc. The results are announced upon the completion of inspection. Control measures such as projects or administrative management are implemented in areas that did not meet the regulatory standards in order to maintain employees' health.

2. Establish a healthy workplace to prevent occupational diseases based on the “Occupational Safety and Health Act” and the “Labor Standards Act”. In addition, according to the labor health protection rules, regular health checks (general health check, special health check, management-level health check) are performed. The results of the health checks are disclosed by the doctor. Health management and follow-ups are carried out for those with abnormal health conditions. The related units are required to conduct corrective measures such as transferring to a more suitable workplace, wearing personal protective equipment according to regulations, as well as education and training.
3. In May 2003, the Company passed the ISO9001 quality management system certification, and after several revisions and updates, the Company passed the annual audit of 2015 version (validity period: 2024.07.27~2027.08.03) in 2018, following the seven quality management principles, implementing full participation, continuous improvement and risk management, and striving to meet customer needs and improve quality. The Company is committed to meeting customer needs and pursuing quality excellence.
4. In September 2011, the Company passed the ISO14001:2004 Environmental Management System Certification had been revised and updated many times, and the 2015 edition was passed in 2018 (expiration date: 2023.08.15~2026.07.16). All employees were committed to preventing environmental pollution, promoting reusable resources and development of energy-saving products, and continuously promoting the environmental management system to ensure the completeness of the Company's environmental protection management mechanism.
5. In December 2018, the Company passed ISO45001:2018 Occupational Safety and Health Management System Certification (expiration date: 2024.12.25~2027.12.24) to ensure the safety of the employees' work environment, and is expected to reduce workplace hazards and related diseases.

(IV) Employee behavior and ethical standards:

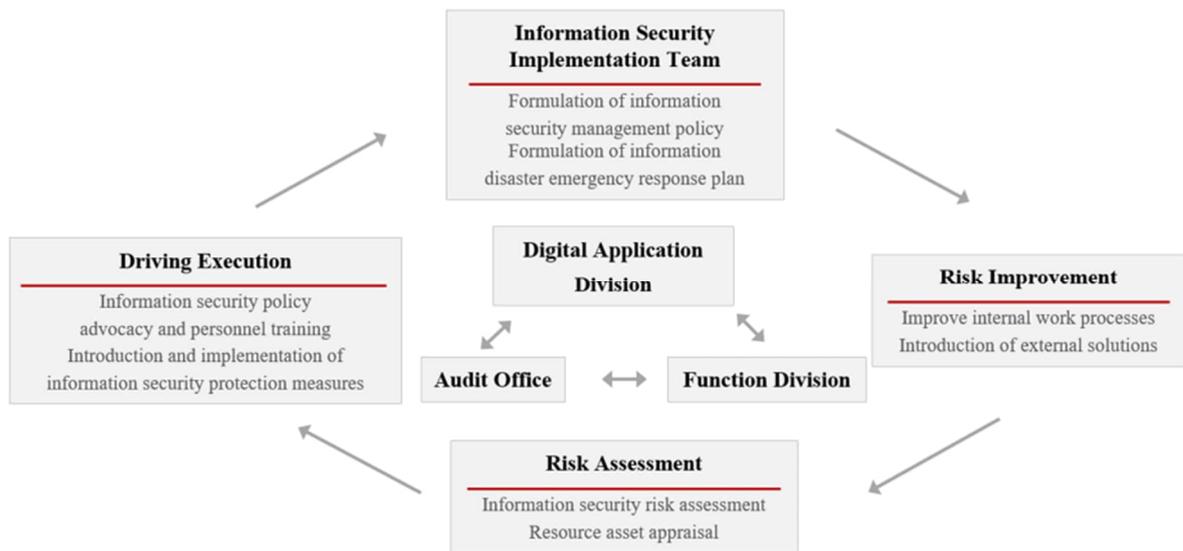
Through the Company's intranet site, the benefits and systems established over the years are clearly communicated to each employee. All employees are expected to comply with governmental laws and regulations, as well as the Company's established rules and procedures. Integrity and honesty are the core of the most important connection between the Company's organizational level supervisors and employees and are considered as the highest ethical standard of conduct. In addition, the Company also emphasized that all employees should adhere to the “Code of Ethics for Employees”:

1. Conduct all business with integrity and record all transactions truthfully.
2. In the performance of duties, it is necessary to ensure the confidentiality of business information, keep complete business and operational records to respect the commercial assets, intellectual property and personal assets of the Company, customers and partners.
3. All employees are required to report to management when there is any breach of ethics or a suspected violation of this Code.
4. Every employee shall do his or her best to treat customers, suppliers, competitors and other employees of the Company fairly. No employee is permitted to manipulate, conceal or abuse proprietary information, misrepresent material facts or engage in other unfair dealings.
5. All employees are not allowed to receive or give discounts or other improper benefits to customers, suppliers or other employees of the Company.
6. All employees are strictly prohibited from accepting cash or other disguised goods such as gift certificates, checks, stock or other securities
7. All employees are prohibited from accepting entertainment.

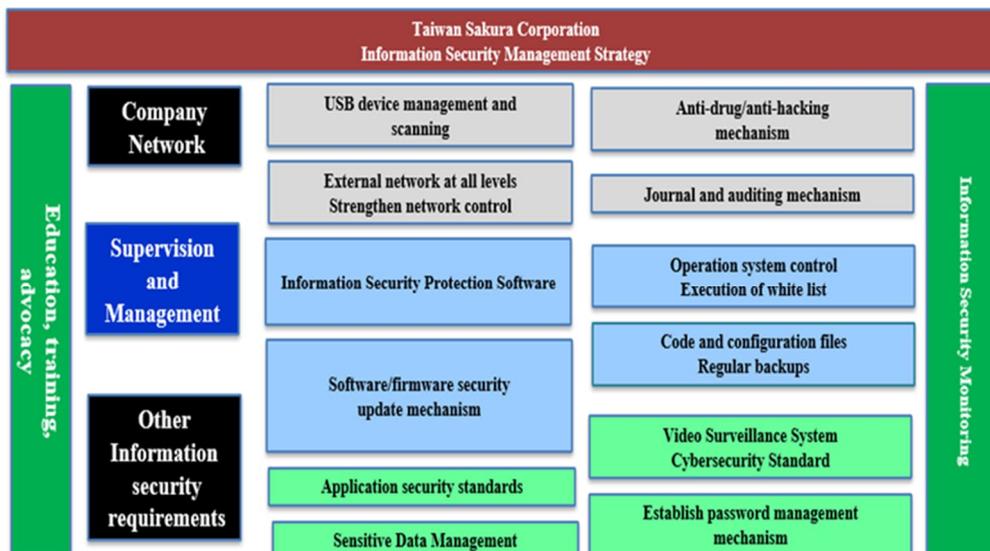
VI. Cyber Security Management

(I) Information security management framework

1. Organizational operation mode: PDCA (Plan-Do-Check-Act) cycle management to ensure the achievement of reliability targets and continuous improvement.
2. Digital Applications Department: As the responsible unit for information security within our company, this department consists of one manager and several professional IT personnel. Their main responsibilities include formulating internal information security management policies, planning and implementing information security operations, as well as promoting and enforcing information security policies.
3. Audit Office: The Audit Office serves as the supervisory unit for information security oversight within our company. It consists of one audit manager and several dedicated audit personnel. Their main responsibilities include supervising the implementation of internal information security measures and regularly reporting the results of company information security inspections to the Audit Committee. If any deficiencies are identified during the audit, the Audit Office promptly requests the audited units to submit relevant improvement plans and concrete actions. They also regularly monitor the effectiveness of these improvements to mitigate internal information security risks.



(II) Specific management plan



(III) Specific management plan

1. Establish an information security executive team to formulate information security management policies and specific implementation plans to ensure information security.
2. Carefully handle personal information in accordance with the Personal Information Protection Act.
3. All personal computers and servers shall be password-protected and anti-virus software shall be installed and passwords and virus codes are updated regularly and compulsorily.
4. Comply with intellectual property regulations and ensure that all computer software installed is properly licensed. The use of unlicensed or unauthorized software is strictly prohibited.
5. Employees are responsible for the safekeeping and use of their colleagues' accounts, passwords, and authority, and they are required to replace them on a regular basis.
6. Important data should be backed up and the validity of the backup should be confirmed regularly.
7. Periodic rehearsals are conducted in accordance with the "Information Disaster Contingency Plan" to facilitate quick restoration of system operations in the event of an information security incident.
8. All employees shall comply with legal regulations and information security policy requirements. Supervisors shall supervise the information security compliance system and its implementation and regularly perform information security promotion operations to strengthen employees' information security awareness and legal conceptions.

(IV) Allocation of resources for information and communication security management

1. Education and Training: All new employees receive information security education and training. Personal data protection awareness is promoted during company monthly meetings. The information security-related education and training conducted in 2024 are as follows:

Date	Course Name	Hrs	No. of attendees
2024.05.07	Cybersecurity Awareness Training	1	390
2024.08.05	Personal Data Protection Awareness Training 2024	1	390
2024.11.04	Cybersecurity Awareness Training	1	390

2. The relevant information security policy and its implementation are described in the board meeting on 18 December 2024.

(V) The losses incurred due to significant cyber security incident in the most recent fiscal year and up to the printing date of the annual report:

There is no significant cyber security incident in the most recent fiscal year and up to the printing date of the annual report.

VII. Important Contracts

Agreement	Counterparty	Period	Main Contents	Restrictions
Agency	Ying Qun Co., Ltd. and other 9 companies	According to individual contract	Authorized as the domestic general distribution of Sakura brand range hoods, gas stoves, water heaters, etc.	None
Subcontractor production contract	Jianzao metal industry (Ltd) company and other 120 companies	According to individual contract	Preparation and purchase of raw material parts and commissioned processing	Certain molds or designs provided by the Company have exclusive right of use
The self-construction project contract	Enrich Tech Co., Ltd.	2023.03 ~Completion	New Construction Project for the Wufeng Factory	None

Chapter 5 Review and Analysis of Financial Status, Financial Performance, and Risks

I. Analysis of Financial Status

Unit: NT\$ thousands

Fiscal Year Item	2023	2024	Difference	
			Amount	%
Current assets	5,363,914	6,054,419	690,505	12.87
Property, plant and equipment	2,143,032	2,308,656	165,624	7.73
Other non-current assets	2,027,399	2,266,315	238,916	11.78
Total assets	9,534,345	10,629,390	1,095,045	11.49
Current liabilities	3,066,050	3,346,050	280,000	9.13
Non-current liabilities	430,457	699,774	269,317	62.57
Total liabilities	3,496,507	4,045,824	549,317	15.71
Common stock	2,211,212	2,211,212	-	-
Additional paid-in capital	131,074	141,154	10,080	7.69
Retained earnings	3,641,191	4,092,889	451,698	12.41
Other equity	23,443	115,947	92,504	394.59
Treasury stock	(21,248)	(21,248)	-	-
Non-controlling interest	52,166	43,612	(8,554)	(16.40)
Total equity	6,037,838	6,583,566	545,728	9.04
<p>Analysis of items with changes of 20% or more and an amount exceeding NT\$50 million in the past two years:</p> <ol style="list-style-type: none"> 1. Increase in non-current liabilities: Mainly due to an increase of NT\$192,000 thousand in long-term bank borrowings as part of the Group's capital planning, as well as the addition of lease liabilities of NT\$67,908 thousand resulting from new leases for the Kaohsiung Brand Hall and external warehouses. 2. Increase in other equity: Mainly due to the appreciation of the US dollar against the New Taiwan dollar, which led to an increase of NT\$48,480 thousand in the "exchange differences on translation of foreign operations," and to an unrealized valuation gain of NT\$44,025 thousand in "financial assets at fair value through other comprehensive income" due to the rise in market prices of listed equity investments. 				

II. Analysis of Financial Performance

Unit: NT\$ thousands

Fiscal year Item	2023	2024	Change in amount	Change in %
Operating revenues	8,272,415	9,600,869	1,328,454	16.06
Operating cost	5,388,868	6,201,887	813,019	15.09
Gross profit	2,883,547	3,398,982	515,435	17.88
Operating expenses	1,653,444	1,935,379	281,935	17.05
Operating Income	1,230,103	1,463,603	233,500	18.98
Non-operating income and expenses	135,233	163,147	27,914	20.64
Income before tax	1,365,336	1,626,750	261,414	19.15
Income tax expense	296,229	334,630	38,401	12.96
Net income	1,069,107	1,292,120	223,013	20.86
Net income attributable to shareholders of the parent	1,072,204	1,300,674	228,470	21.31
Net income attributable to non-controlling interest	(3,097)	(8,554)	(5,457)	(176.20)
(I) Analysis of items with changes of 20% or more, and with an amount exceeding NT\$50 million in the past two years: None.				
(II) Expected sales volume and its basis, possible impact on the Company's future financial and business performance, and response plans: Please refer to Chapter 1 of this annual report, "Message to Shareholders – Summary of the 2025 Business Plan."				

III. Analysis of Cash Flow

(I) Analysis of changes in cash flows for the most recent fiscal year:

Fiscal Year Item	2023	2024	Increase (Decrease) Ratio (%)
Cash flow ratio	41.74	35.59	(14.73)
Cash flow adequacy ratio	109.02	94.57	(13.25)
Cash reinvestment ratio	7.57	4.96	(34.48)
Explanation:			
1. Decrease in cash reinvestment ratio: Mainly attribute to the increase in operating activity in 2024.			

(II) Improvement plan for inadequate liquidity: N/A.

(III) Cash flow analysis for the coming year:

Unit: NT\$ thousands

Cash balance at the beginning of the period (1)	Net cash provided by operating activities throughout the year (2)	Cash outflow of the year (3)	Cash surplus (deficit) amount (1) + (2) - (3)	Remedial measures for insufficient cash	
				Investment plans	Financial plans
2,409,248	1,345,599	1,452,463	2,302,384	-	-
1. Operating Activities: It is anticipated that in the coming year, revenue and profit will grow steadily and generating positive cash inflows.					
2. Investing Activities: It is anticipated that in the upcoming year, cash outflows will occur due to the purchase of real estate, factories, and equipment.					
3. Financing Activities: It is anticipated that in the upcoming year, cash outflows will occur due to the payment of cash dividends.					

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year:

Due to the company's strong operational performance and stable cash inflows from operating activities, the major capital expenditures for the newly constructed Wufeng plant in recent years have been primarily funded by the company's own operating capital. Therefore, there has been no significant impact on the company's financial position.

V. The Company's Reinvestment Policy for the Most Recent Fiscal Year, The Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, and Investment Plans for The Coming Year:

(I) Reinvestment policy and profitability

The Company's reinvestment policy is based on business development needs and considerations for future growth, with a focus on strategic investments. In 2024, the Company recognized investment income of NT\$203,763 thousand under the equity method, an increase of NT\$72,528 thousand compared to the previous year. This was primarily due to the subsidiary, SAKURA Home Interior Decoration Co., Ltd., gradually achieving stable operations and turning from loss to profit.

(II) Investment Plan for the Coming Year :

On March 13, 2024, the Board of Directors approved a strategic investment plan to acquire a 51% equity stake in Eiffel Co., Ltd., with a total investment of approximately NT\$110 million. The investment is expected to be completed in the second quarter of 2025. Going forward, both parties will deepen cooperation in product supply and channel collaboration, leveraging Eiffel's existing production and sales channels, and combining the strengths and resources of both companies to jointly capture a share of Taiwan's hundred-billion-dollar home renovation market.

VI. Analysis and Assessment of Risk Factors for the Most Recent Fiscal Year and up to the Date of Printing of the Annual Report:

- (I) Effects of changes in interest rates, foreign exchange rates and inflation on the Company's profit and loss and future response measures:

Unit: NT\$ thousands

Item	2023		2024	
	Amount	Net operating income ratio (%)	Amount	Net operating income ratio (%)
Net interest gain (loss)	17,950	0.22%	31,132	0.32%
Exchange rate gain (loss), net	3,193	0.04%	41,831	0.44%

1. Interest rate fluctuation: The borrowings of the Group are all required for short-term financing. The borrowing rate varies according to different currencies, but the amount is not material. Therefore, there is no risk that the future cash flow will fluctuate due to changes in market interest rates.
 2. Exchange rate fluctuation: The Group's exchange rate risk is mainly related to operating activities (when the currency used for income or expenses is different from the functional currency of the Group) and the net investment of foreign operating institutions. The Group's fund operators are always aware of the trends and changes in the major currencies of the international currency market in order to comprehend the exchange rate trend. They also maintain a good interaction with banks to obtain a wider range of foreign exchange information and better exchange rate quotes.
 3. Inflation: There is no significant impact on the Company's profit or loss.
- (II) Policies, main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions: The Company has never engaged in high-risk or high-leveraged investment transactions. The relevant funds lending to others, endorsement guarantees and derivative commodity transactions are based on the policies and response measures set out in the "Operational Procedures for Lending Funds to Others", "Operational Procedures Governing Endorsement and Guarantees", and "Operational Procedures Governing the Acquisition and Disposal of Assets".
- (III) The Company will continue to develop high-tech, high-safety and high value-added products based on the technical expertise of gas kitchen appliances to meet the needs of consumers and to maintain the Company's niche in the industry as a leading brand. It is estimated that the research and development costs to be invested next year will be approximately NT\$ 100,157 thousand.
- (IV) The impact of important policies and legal changes both domestically and internationally on the Company's financial operation and the corresponding measures: None.
- (V) The impact of changes in technology (including information security risks) and industry on the Company's financial operation and the corresponding response measures: None.
- (VI) The impact of changes in corporate image on corporate crisis management and the corresponding response measures: None.

- (VII) Expected benefits from, possible risks relating to and corresponding response measures for merger and acquisition plans: Not applicable.
- (VIII) Expected Benefits, Potential Risks, and Mitigation Measures of Expanding Factory Space:
1. The construction of the Wufeng plant's new factory building is primarily in response to the overall growth in kitchen business demand. It is being built through self-development on company-owned land to establish an automated production base for modular kitchen equipment. The total floor area of the new facility is approximately 7,148 ping. Construction began in March of 2022, and it is expected to be completed in the third quarter of 2024. After completion, the annual production capacity of modular kitchen equipment is expected to increase from the current 30,000 to 40,000 sets to 50,000 to 70,000 sets, with the potential to save up to NT\$7.8 million in annual warehouse rental costs.
 2. The risks associated with the construction of the new factory building in the Wufeng plant primarily include the increase in raw material prices, labor shortages, and potential delays in the construction progress. To mitigate these risks, the company has adopted a lump-sum contract approach to fix the total project cost. Additionally, the construction contract includes provisions related to liquidated damages in case of project delays.
- (IX) Risks relating to and response measures for the excessive concentration of incoming goods or sales: N/A.
- (X) Effects of, risk relating to and response measures for large share transfers or changes in shareholdings by Directors, supervisors or major shareholders with shareholding of over 10%: N/A.
- (XI) Effects of, risk relating to and response measures for changes in management rights: N/A.
- (XII) Litigation or non-litigation matters shall state that the Company and the Company's directors, supervisors, principals, person with actual responsibility for the firm, major shareholders with a shareholding ratio of more than 10% and subordinate companies have been charged or are still in a major lawsuit, non-litigation or administrative dispute cases. The result may have a material impact on the shareholders' equity or the price of the securities. The facts, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings and the date of publication of the annual report shall be disclosed: N/A.
- (XIII) Other major risks and response measures:
The organizational structure of the Company's risk management
1. Finance:
 - (1) Corporate capital security and capital interest rate risk avoidance
 - A. Regularly conduct cash and marketable securities inventory, abnormal tracking to improve capital revenue and increase profitability, avoid external crises that cause shrinkage of corporate assets.
 - B. According to the SOP hierarchy authorization approval, through the ERP system encryption after the use of electronic banking payments to strengthen payment security.
 - C. Regularly review the optimal cash and capital structure, carry out capital planning to achieve the optimal cash size.
 - (2) Corporate Exchange Risk Avoidance
 - A. The Company monitors daily changes in foreign currency sites, revenue achievement rates, and inventory growth and decline.
 - B. Establish foreign exchange position forecast for hedging.

- C. Clearly grasp the net amount of foreign currency assets and liabilities offset to reduce operational risks caused by exchange rate fluctuations.
- (3) Corporate property security and liability risk hedge
 - A. Take out appropriate insurance for property and transfer the risk to the insurance company.
 - B. Conduct regular risk courses for property risk, cargo transportation, product liability and other risk control to ensure that relevant departments and plants fully grasp the sources of risk and eliminate risks early to reduce possible losses.
 - C. Conduct regular surveys on cargo transportation, product liability and plant safety.
- (4) Corporate accounts receivable security and customer credit risk avoidance
 - A. Credit management is carried out by acquiring credit information from customers and understanding their industry characteristics.
 - B. Regularly review customers' credit limits and payment terms to reduce exposure and optimize payment terms.
 - C. Regular credit risk education and training courses are held to strengthen risk management awareness for employees.
- 2. Operation Management

According to the Company's overall development strategy, assisting the operating units in long-term and annual target planning, constructing an internal management information system to help the management effectively grasp the important key factors and possible risks affecting operational performance, conducting appropriate resource allocation and control to optimize the overall group's operating results.
- 3. Legal Affairs

Legal Affairs is responsible for legal risk assessment, including identifying contract risks, recommending control measures through contract review procedures; providing legal advice and handling recommendations on internal systems, compliance with laws and regulations, disputes, mergers and acquisitions, intellectual property rights management to reduce the overall legal risk of the Company.
- 4. Auditing:

Prepare and execute annual audit plans based on risk assessment results, evaluate the effectiveness of the design and implementation of internal control systems, assist risk management organizations and operating units in designing control operations based on risk management.
- 5. Human Resources

Responsible for human resources management and development, planning human resources policies and implementation, conducting regular manpower inventory and audit, planning and implementing employee education, training and development plans, designing competitive compensation and employee welfare measures, complete training and talent development plans, employee personal data protection and control, etc. to reduce various human resources risks that may cause damage to the enterprise.

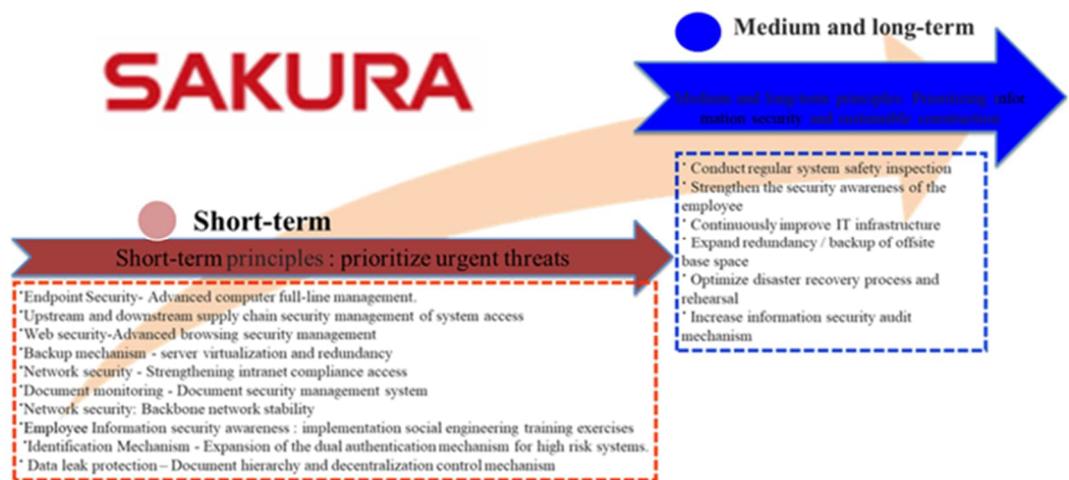
6. Information Security:

(1) The target and scope of information security

The target and scope of information security Employees, customers, suppliers, shareholders, and operation-related information hardware and software equipment are among the target audiences.

To ensure the security of the Company's information systems, the Company implements network and system information security control and protection measures, establishes relevant regulations and systems, as well as applies technical and data security standards to protect the privacy and information security of employees, suppliers, and customers in business transactions, while improving decision-making quality and lowering operational and information security risks.

(2) Information Security management plan:



(3) Information Security management measures please refer Page 123.

VII. Other Important Matters: None.

Chapter 6 Special Disclosure

I. Affiliated Enterprises

(I) Consolidated Business Report of affiliated enterprises : please refer to “Affiliated Enterprises Three Statements Section” on the Market Observation Post System (MOPS).

(II) Consolidated Financial Report of affiliated enterprises :

For fiscal year 2024 (from January 1 to December 31, 2024), the companies required to be included in the preparation of the consolidated financial statements of affiliated enterprises, in accordance with the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises,” are the same as those required to be included under International Accounting Standard No. 10 for the preparation of parent-subsidary consolidated financial statements. All relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned parent-subsidary consolidated financial statements; therefore, separate consolidated financial statements of affiliated enterprises have not been prepared.

(III) Affiliation Report: Not required.

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

III. Other Necessary Supplementary Explanations: None.

IV. Material Events Affecting Shareholder Equity or Securities Prices as Defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the Most Recent Year and up to the Date of Publication of the Annual Report: None.

Taiwan Sakura Corporation
Chairman, Yung-Chieh Chang