



**WALRUS**  
大井泵浦

Stock Code: 6982

# WALRUS PUMP Co., Ltd.

## 2024 Annual Report



Website of the Walrus Pump: <http://www.walruspump.com>

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

Date of publication: March 31, 2025

**注入創新 湧出美好**  
**Better Life Through Innovation**

**I. Spokesperson and acting spokesperson:**

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**V. Name of the trading venue where overseas securities are listed and how to find them: None.**

**VI. Company website: <https://www.walruspump.com/>**

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## **One. Shareholders' Report**

In 2024, the international political and economic situation was still unstable and affected by inflation, geopolitics (such as Sino-US trade competition, Ukraine-Russia conflict, etc.), energy market price fluctuations, etc., and the supply chain recovery in the post-epidemic era still faced challenges, especially in semiconductors and other key raw materials. However, the price trend of bulk metal raw materials was still stable; with the acceleration of technological innovation and digital transformation, the application of artificial intelligence and automation technology has become more and more extensive, resulting in the overall sales market demand at home and abroad becoming increasingly active. The Company remains optimistic about the global economic development. Nonetheless, the Company also expects to face internal and external challenges. With the great efforts of all employees, the Company's revenue performance in 2024 has shown steady growth, and the Company has successfully entered the capital market to achieve new milestone. The following is a brief report on the operating results of 2024 and the business plan of 2025:

### **I. Operating results of the previous year**

#### **(I) Business plan implementation results:**

Walrus Pump's consolidated revenue for 2024 was NT\$1,612,759 thousand, an increase of 14.8% from NT\$1,404,797 thousand for 2023. Its consolidated net profit after tax for 2024 was NT\$101,158 thousand, an increase of 38.19% from NT\$73,200 thousand for 2023.

#### **(II) Budget execution status:**

The consolidated operating income for 2024 was NT\$1,612,759 thousand, an increase of approximately 14.8% over 2023, and the budget achievement rate was approximately 93.76%. In terms of profit, the profit attributable to the parent company was NT\$101,158 thousand, and the budget achievement rate was approximately 88.93%.

#### **(III) Analysis of financial income, expenditure and profitability:**

Please refer to the attached financial statements for the 2024 financial overview.

#### **(IV) R&D status:**

The Company's product design is based on the mission of “injecting innovation and bringing out excellence”, taking into account concepts such as convenience, safety, reliability and environmental protection. Whether in installation, disassembly, maintenance, water quality, or safety protection mechanisms and energy conservation and carbon reduction, they are all key projects in product technology and design. The Company's research and development continues to invest in the development and design of high-tech water pump applications. In addition to continuing to develop BLDC brushless direct current motors and improving IoT smart monitoring modules and technological after-sales services, it also seeks product niches in line with market trends to enhance product competitiveness. It is committed to obtaining new product patents and optimizing related material applications to maintain the Company's long-term product competitive advantage. In addition, the Company's newly developed products will apply for CE, RoHS and other related certifications. The entire series

of products also introduce green environmental protection design concepts, pass the inspection of the Electronic Inspection Center, and comply with the EU RoHS Hazardous Substance Restriction Directive. More than 85% of the raw materials used in the whole machine components are recyclable materials. Implement the core value of safe water use and improve the quality of human life. The Company also actively participates in government programs, such as the Ministry of Economic Affairs' Industrial Development Bureau of the smart machinery industry promotion program, upgrading from precision machinery to smart machinery to create jobs and expand output, and introducing smart manufacturing Industry 4.0 in production to improve the process, introduce smart logistics systems and supplier platforms, etc. By providing internal management benefits, traditional production lines are upgraded to new-generation smart factories. In the future, human-machine collaboration will be used to move towards smart production, avoid unnecessary waste, reduce inventory and inventory levels, and respond to environmental changes in real time.

## **II. Summary of this year's business plan**

### **(I) Business policy:**

The Company adheres to the business philosophy of “injecting innovation and bringing out excellence”. In the face of a rapidly changing business environment, we will continue to demand and grow ourselves, commit to product development and quality improvement, and continue to invest resources in basic operations to create profitable growth and achieve sustainable business development goals.

### **(II) Expected production and sales overview:**

In response to insufficient production capacity and new product application development, the Company started construction of a new plant at the end of 2022. It is expected to obtain a license for use and conduct initial small-scale production in the second half of 2025. In the future, it plans to actively enhance production technology and production capacity through the investment in automated production equipment, big data collection and the introduction of intelligent logistics, in order to achieve economies of scale and respond to the mass production plan of high-tech water pumps, so as to make the Group's overall production and sales more flexible and maximize efficiency.

### **(III) R&D plans:**

The Company continues to invest in the development and design of high-tech water pump applications. In addition to continuing to enter 5G infrastructure and improving IoT smart monitoring modules and technological after-sales services, we also enter the development of BLDC direct current brushless motors and plan small-batch testing and verification. We also look for product niches in line with market trends to enhance product competitiveness, and are committed to obtaining new product patents and innovating in related technical materials applications to maintain the Company's long-term product competitive advantage.

## **III. Future development strategy of the Company**

Looking ahead to 2025, the Company will continue to uphold the core value of “mutual good, sunshine, and continuous improvement” and provide users with a

full range of pump solutions. With the aim of satisfying customer service, we will continue to invest in new product research and development and innovative technologies. Walrus Pump continues to pay attention to ESG sustainable issues, will focus on greenhouse gas inventory (future goal is to reach Scope 3) and plan to achieve voluntary carbon reduction goals, leading the water pump industry towards corporate governance, sustainable development and friendly supply chain.

#### **IV. The impact of the external competition environment, regulatory environment and overall business environment**

**(I) Impact of external competitive environment:**

With the application of technology and the Internet, everything from management, marketing, manufacturing, logistics, sales, financial flow and R&D activities in all industries to personal living habits such as clothing, food, housing, transportation, education and entertainment are deeply affected by digitalization and information security. Regardless of whether it is household or industrial water pump products, in addition to being able to provide differentiated products, high-quality and fast services, and meet the rapid changes in industrial structure, facing volatile market competition, insufficient human resources, inflationary pressure and changes in end-user consumption habits, it is necessary to identify and evaluate the risks that may affect operations and propose corresponding effective countermeasures to reduce the impact of the external competitive environment.

**(II) Regulatory environment:**

Issues such as the promotion of corporate sustainability, the rise of employee awareness, public environmental protection and corporate governance are becoming increasingly important in today's rapidly developing and changing society. Business operations face numerous regulations, and the competent authorities continue to ensure that businesses are able to comply with regulations in a stable manner through various supervisory indicators and letters. On the other hand, the Financial Supervisory Commission has actively promoted the development of ESG. In addition to launching the “Sustainable Development Roadmap for Listed Companies” and the “Green Finance Action Plan 3.0”, it joined the “Financial Sustainability Assessment” in 2023, and is committed to deepening the development of sustainable finance in Taiwan and creating a model of sustainable finance. The Company employs relevant experienced legal personnel and collaborates with external legal consulting firms. In addition to handling legal matters on a regular basis and implementing compliance with laws and regulations, the Company also pays close attention to changes in policies and laws that may affect the Company's finances and business. In the event of major changes or events in laws and regulations, the Company also seeks assistance from external legal experts and strengthens employee training to comply with relevant laws and regulations and continuously optimize its business operations.

**(III) Overall business environment:**

Looking back to 2024, the International Monetary Fund pointed out in its “World Economic Outlook” report that the future of the global economy depends crucially on the adjustments in monetary policies of central banks in various countries. It is necessary to persist in combating and actively curbing inflation, and fiscal policies must also be coordinated with each other to mitigate the impact and

overcome the crisis. Other key factors affecting the overall business environment in 2024 include slowing inflation, easing labor market pressures and strong demand for artificial intelligence (AI) related goods. The trade recovery in developed economies is particularly significant, as these economies benefit from improved supply chains and increased demand for services. However, geopolitical risks, such as the ongoing Russia-Ukraine war, escalating tensions in the Middle East and escalating US-China trade conflicts, continue to undermine economic optimism. The following uncertainties are summarized:

1. The impact of monetary policy trends in various countries on the global economy and financial markets.
2. The subsequent development of the trade dispute between the United States and mainland China and the evolution of international geopolitical relations.
3. The impact of the stalemate in the Russia-Ukraine war and extreme weather on international commodity price.

It is evident that the current international situation is still highly uncertain, and its impact on the overall domestic economy needs to be closely observed in the future. From an industry perspective, there is a clear imbalance in overall industry performance. AI-related supply chains have performed exceptionally well, and industries driven by AI technology continue to be an important engine of global economic growth. According to Precedence Research, the global artificial intelligence market size was US\$638.2 billion in 2024, an increase of 18.6% from 2023. Driven by rapid technological advances, increasing data availability and growing demand for automation in various industries, the AI market is experiencing unprecedented growth.

In 2024, the Company has completed its IPO and is heading towards the capital market. Through the strategic policy of “internationalization of brand, intelligent production, product optimization, and localization of services”, it will continue to improve its internal operations. With the spirit of seeking innovation and change, it is committed to the development and application of product performance, and to improving talent training and corporate governance compliance to ensure the Company's competitive advantage for long-term development in the future and live up to the long-term support of all customers, suppliers, shareholders and all colleagues!

Chairman: Huang, Ching-Feng  
(Raymond Huang)





## Two. Corporate Governance Report

### I. Information on directors, general managers, deputy general managers, senior managers, and heads of departments and branches

#### (I) Information on Directors and Independent Directors

##### 1. Information Sheet on Directors and Independent Directors

March 29, 2025; Unit: Shares; %

Title	Nationality or place of registration	Name	Gender Age	Election (take office) Date	Term of office	Date of initial appointment	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Jing Zhi Investment Co., Ltd.	-	2023.08.30	3 years	2010.05.07	2,530,000	7.16	2,455,000	6.08	-	-	-	-	-	-	-	-	-	-
	Republic of China	Representative: Huang, Ching-Feng (Raymond Huang)	Male 51-60 years old	2023.08.30	3 years	2008.01.07	784,000	2.22	584,000	1.45	-	-	-	-	Department of Electrical Engineering, Southern Taiwan University of Science and Technology Chairman, Walrus Pump Co., Ltd. Vice Chairman, Strategy Committee, Walrus Pump Co., Ltd. Vice Chairman, Management Committee, Walrus Pump Co., Ltd. Senior Deputy General Manager, Management Committee, Walrus Pump Co., Ltd. Kaohsiung Factory Manager, Walrus Pump Co., Ltd.	Chairman, Jingxiong Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Supervisor, Jingzhi Investment Co., Ltd.	General Manager Deputy General Manager Deputy General Manager	Huang, Ching-Yun Shen, Chien-Hua Huang, Chien-Chen	Second degree kinship Second degree kinship Second degree kinship	-
Director	Republic of China	You Chang Investment Co., Ltd.	-	2023.08.30	3 years	2020.10.20	9,680,000	27.38	9,680,000	23.99	-	-	-	-	-	-	-	-	-	-
	Republic of China	Representative: Huang, Ching-Yun (Amy Huang)	Female 51-60 years old	2023.08.30	3 years	2010.05.07	784,000	2.22	584,000	1.45	-	-	-	-	PhD in Business Administration, European University General Manager, Walrus Pump Co., Ltd. General Manager, Management Committee, Walrus Pump Co., Ltd. Acting General Manager, Management Committee, Walrus Pump Co., Ltd. Deputy General Manager, Management Committee, Walrus Pump Co., Ltd. Director, Production Division, Walrus Pump Co., Ltd. Manager, Management Department, Walrus Pump Co., Ltd. 4th President, Taiwan Machine Tool and Components Industry Association - TMBA elimi	Chairman, You Chang Investment Co., Ltd. Chairman, Invesco Ltd. Chairman, WALRUS INTERNATIONAL MARKETING CO., LTD.	Chairman and Chief Strategy Officer Deputy General Manager Deputy General Manager	Huang, Ching-Feng Shen, Chien-Hua Huang, Chien-Chen	Second degree kinship Second degree kinship Second degree kinship	-
Director	Republic of China	Wen hua Investment Co., Ltd.	-	2023.08.30	3 years	2022.06.06	2,530,000	7.16	2,455,000	6.08	-	-	-	-	-	-	-	-	-	-
	Republic of China	Representative: Shen, Chien-Hua	Male 51-60 years old	2023.08.30	3 years	2020.10.20	784,000	2.22	584,000	1.45	-	-	-	-	EMBA, National Sun Yat-sen University Department of Mechanical	Chairman, Minhua Investment Co., Ltd. Director, You Chang	Chairman and Chief Strategy	Huang, Ching-Feng	Second degree kinship	-

Title	Nationality or place of registration	Name	Gender Age	Election (take office) Date	Term of office	Date of initial appointment	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
														Engineering, Nanya Institute of Technology Deputy General Manager/Chief Technical Officer, Walrus Pump Co., Ltd. Factory Manager, Sanzhi Plant, Walrus Pump Co., Ltd. Special Assistant to the Chairman, Walrus Pump Co., Ltd. Senior Manager, YOU JI MACHINE INDUSTRIAL CO., LTD.	Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd.	Officer General Manager Deputy General Manager	Huang, Ching-Yun Huang, Chin-Chen	Second degree kinship Second degree kinship		
Director	Republic of China	Jing Yu Investment Co., Ltd.	-	2023.08.30	3 years	2022.06.06	2,530,000	7.16	2,455,000	6.08	-	-	-	-	-	-	-	-	-	-
	Republic of China	Representative: Huang, Chin-Chen	Male 51-60 years old	2023.08.30	3 years	2022.06.06	784,000	2.22	584,000	1.45	-	-	-	-	Santa Monica College Computer Science Deputy General Manager, Walrus Pump Co., Ltd. Responsible person of SUZHOU WALRUS PUMP CO., LTD. International Business Manager, Walrus Pump Co., Ltd.	Chairman, Jingyu Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd.	Chairman and Chief Strategy Officer General Manager Deputy General Manager	Huang, Ching-Feng  Huang, Ching-Yun Shen, Chien-Hua	Second degree kinship  Second degree kinship Second degree kinship	-
Director	Republic of China	Tsung-Lin Kuo	Male 41-50 years old	2023.08.30	3 years	2023.05.19	120,000	0.34	120,000	0.30	-	-	-	-	Master of Accounting, Soochow University Bachelor of Economics, College of Law and Commerce, National Chung Hsing University Senior Manager, PwC Taiwan CFO and Corporate Governance Officer, Pili International Multimedia Co., Ltd. CPA qualification, Republic of China	Chairman, Hong Sheng International Co., Ltd. Independent Director, Hua Jung Components Co., Ltd. Independent Director, Grand Green Energy Co., Ltd. Supervisor, Shifang Travel Co., Ltd. Supervisor, Shifang Tourism Co., Ltd. Supervisor, Ximen Travel and Tourism Co., Ltd. Supervisor, Shifang Travel Co., Ltd. Supervisor, Banqiao Travel and Tourism Co., Ltd. Supervisor, Shifang International Co., Ltd. Supervisor, 888 Famous Co., Ltd. Supervisor, Royal Fine Hotel Co., Ltd. Supervisor, Hub Hotel Kaohsiung Co., Ltd. Supervisor, Hub Hotel Taichung Wenxin Branch Co., Ltd. Supervisor, AMAZING CREATIVITY INTEGRATED MARKETING CO., LTD. Supervisor, Banqiao Station Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Election (take office) Date	Term of office	Date of initial appointment	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
																Supervisor, Qiaojue Travel Co., Ltd. Supervisor, Taiwan Youth Hostel Co., Ltd. Supervisor, Xintai Travel and Tourism Co., Ltd. CPA, Hong Sheng Accounting Firm Chairman, Taiwan Investor Relations Institute				
Independent Director	Republic of China	Da-Pai Shen	Male 61-70 years old	2023.08.30	3 years	2023.08.30	-	-	-	-	-	-	-	-	PhD in Financial Economics, Tulane University Professor of Department of Accounting, Soochow University, Head Teacher of Bachelor of Business Studies, Director of ESG Sustainable Development Research Center Evaluation Standards Committee Member of the Accounting Research and Development Foundation Secretary General of Taiwan Ratings Independent Director, KGI Life Insurance Co., Ltd. Independent Director, Pili International Multimedia Co., Ltd. Independent Director, Dimension Computer Technology Co., Ltd. Supervisor, APFC LTD. Supervisor, Blockcurrency Technology Inc. Director, BMC Venture Capital Investment Corporation	Professor, Department of Accounting, Soochow University Professor of Accounting Department and Director of Bachelor of Business Studies Program, Soochow University, Director of ESG Sustainable Development Research Center, Soochow University Independent Director, KGI Life Insurance Co., Ltd. Independent Director, Pili International Multimedia Co., Ltd. Independent Director, Dimension Computer Technology Co., Ltd. Supervisor, APFC LTD. Supervisor, Blockcurrency Technology Inc. Director, BMC Venture Capital Investment Corporation	-	-	-	-
Independent Director	Republic of China	Chih-Min Fang	Male 61-70 years old	2023.08.30	3 years	2023.08.30	-	-	-	-	-	-	-	-	PhD in Strategic Management, University of Maryland Part-time Professor, National Sun Yat-Sen University Professor, National Sun Yat-sen University Associate Professor, Department of Business Administration, National Sun Yat-sen University EMBA Director, National Sun Yat-sen University EMBA Chief Executive Officer, National Sun Yat-sen University EMBA Chief Executive Officer, National Sun Yat-sen University Project Host, Brand Strategy Implementation - Taiwan Excellent Brand Association Project Host, Brand Management Strategy for Presidents - Taiwan Excellent Brand Association Project Convener, the Ministry of	Adjunct Professor of National Sun Yat-sen University, Project Host of Brand Strategy Implementation of Taiwan Excellent Brand Association Project Host, Brand Management Strategy for Presidents - Taiwan Excellent Brand Association Project Convener of the Industry Development International Market Subsidy Program, Bureau of Foreign Trade, Ministry of Economic Affairs Review Committee Member, Overseas Marketing Subsidies -	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Election (take office) Date	Term of office	Date of initial appointment	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															Economic Affairs International Trade Bureau Industry Development International Market Program Review Committee Member, Overseas Marketing Subsidies - TAITRA Examination Questioning Committee Member, Senior Examination Department, National Examination Agency Project Host, Minister of Science and Technology, Executive Yuan - Themed Research Project Project Host, Small and Medium Enterprises Division, Ministry of Economic Affairs - Rising Star Award Corporate Science and Technology Review Committee Member, Ministry of Economic Affairs Industry Science and Technology Review Committee Member, Ministry of Economic Affairs Innovation Research Award Convener, Small and Medium Enterprises Division, Ministry of Economic Affairs Course Certification Review Committee Member, Adult Education Research Center, Department of Social Education, Ministry of Education Business Strategy Consultant, Metal Industry Research and Development Center Review Committee Member, Small and Medium Enterprises Division, Ministry of Economic Affairs - Small and Medium Enterprise Marketing Value Enhancement Plan Guidance Consultant, Business Development Research Institute - Service Industry Internationalization Knowledge Energy Integration and Construction Plan Project Selection Committee, Small and Medium Enterprises Division, Ministry of Economic Affairs - Small and Medium Enterprises Mutual Assistance and Cooperation Guidance Review Committee Member, Small and Medium Enterprises Division, Ministry of Economic Affairs - Technology Intensive Cluster Counseling Program Researcher, Head of R&D Division, China Productivity Center Independent Director, YEN SUN TECHNOLOGY CORP. Independent Director, NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.	TAITRA Question Setting Committee Member, Senior Examination Agency Examination Selection Department - Advanced Examination Project Host, Minister of Science and Technology, Executive Yuan - Themed Research Project Project Host, Small and Medium Enterprises Division, Ministry of Economic Affairs - Rising Star Award Independent Director, YEN SUN TECHNOLOGY CORP. Independent Director, NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD. Independent Director, Jong Shyn Shipbuilding Group				

Title	Nationality or place of registration	Name	Gender Age	Election (take office) Date	Term of office	Date of initial appointment	Shareholding at the time of election		Current number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															Independent Director, Jong Shyn Shipbuilding Group					
Independent Director	Republic of China	Ming-Hong Hsieh	Male 61-70 years old	2023.08.30	3 years	2023.08.30	-	-	-	-	-	-	-	-	PhD in Business Administration, National Taipei University Professor and Director of Doctoral Program, School of Management, Shih Chien University Associate Professor of Department of Accounting of China University of Technology Accounting Systems Analyst of Accenture Co., Ltd.	Professor and Director of Doctoral Program, School of Management, Shih Chien University Vice Dean of the School of Management, Shih Chien University	-	-	-	-
Independent Director	Republic of China	Hsin Sun	Female 41-50 years old	2023.08.30	3 years	2023.08.30	-	-	-	-	-	-	-	-	Master of Laws in Finance, Boston University Partner, Innovatus Law Office Senior Consultant, Tax Investment Department, KPMG Taiwan Executive Consultant, Financial Compliance Service Host, KPMG Taiwan Legal Affairs Senior Manager, China Development Industrial Bank Jones Day International Law Office Baker & McKenzie Law Office Morris, Manning & Martin, LLP Law Firm, Atlanta, United States Central Legal Division, Hon Hai Precision Industry Co., Ltd. Attorney, Republic of China Attorney, New York State	Partner, Innovatus Law Office Independent Director, Foxtron Vehicle Technologies Co., Ltd.	-	-	-	-

Note: If the Company's Chairman and general manager or person of equivalent position (top manager) are the same person, spouse or first-degree relative, the reasons, rationality, necessity and relevant information of the corresponding measures should be explained:

The Chairman and general manager of the Company are not the same person, nor are they spouses or first-degree relatives, so this does not apply.

## 2. Major shareholders of the corporate shareholder

March 31, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder	Shareholding ratio
Jing Zhi Investment Co., Ltd.	Huang, Ching-Feng	39%
	Hsieh, Tsui-Chuan	8%
	Huang, Kai-Chen	15%
	Huang, Yi-Chun	15%
	Huang, Chiu-Hsia	23%
You Chang Investment Co., Ltd.	Jing Zhi Investment Co., Ltd.	20%
	Jingshun Investment Co., Ltd.	20%
	Wen hua Investment Co., Ltd.	20%
	Jing Yu Investment Co., Ltd.	20%
	Jingxiong Investment Co., Ltd.	20%
Wen hua Investment Co., Ltd.	Shen, Chien-Hua	38.5%
	Huang, Hsu-Wen	38.5%
	Huang, Chiu-Hsia	23%
Jing Yu Investment Co., Ltd.	Huang, Chin-Chen	46%
	Hsu, Yu-Wen	31%
	Huang, Chiu-Hsia	23%

## 3. Major shareholders who are legal entity are principal shareholders

March 31, 2025

Name of corporate shareholder	Major shareholders of the legal entity	Shareholding ratio
Jing Zhi Investment Co., Ltd.	Huang, Ching-Feng	39%
	Hsieh, Tsui-Chuan	8%
	Huang, Kai-Chen	15%
	Huang, Yi-Chun	15%
	Huang, Chiu-Hsia	23%
Jingshun Investment Co., Ltd.	Huang, Ching-Yun	46%
	Wang Shui	31%
	Huang, Chiu-Hsia	23%
Wen hua Investment Co., Ltd.	Shen, Chien-Hua	38.5%
	Huang, Hsu-Wen	38.5%
	Huang, Chiu-Hsia	23%
Jing Yu Investment Co., Ltd.	Huang, Chin-Chen	46%
	Hsu, Yu-Wen	31%
	Huang, Chiu-Hsia	23%
Jingxiong Investment Co., Ltd.	Jing Zhi Investment Co., Ltd.	25%
	Jingshun Investment Co., Ltd.	25%
	Wen hua Investment Co., Ltd.	25%
	Jing Yu Investment Co., Ltd.	25%

4. Disclosure of directors' professional qualifications and independence of independent directors

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
<p>Director Jing Zhi Investment Co., Ltd. Representative: Huang, Ching-Feng</p>	<p>Chairman Huang, Ching-Feng graduated from the Department of Electrical Engineering of Southern Taiwan University of Science and Technology. He has professional knowledge and skills in operation management and electrical machinery. He has been focusing on business management, product technology, business and production management in the electrical machinery industry for more than 30 years and has rich experience in industry, operation and management.</p> <p>Chairman Huang, Ching-Feng has professional qualifications and experience in leadership decision-making, business management, operational judgment, crisis management, business and operations.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>1.He is the representative of the Company's corporate director, Jing Zhi Investment Co., Ltd., and also serves as the supervisor of the corporate director.</p> <p>2.He also serves as the Company's Chief Strategy Officer.</p> <p>3.He is a relative within the second degree of kinship with Director Huang, Ching-Yun, Shen, Chien-Hua and Huang, Chin-Chen.</p> <p>4.He is the legal director representative of You Chang Investment Co., Ltd., a legal shareholder holding more than 5% of the issued shares of the Company.</p> <p>5.The rest of the independence conditions are in accordance with Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.</p>	<p>-</p>

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
<p>Director You Chang Investment Co., Ltd. Representative: Huang, Ching-Yun</p>	<p>Director Huang, Ching-Yun holds a PhD in Business Administration from European University, majoring in statistics, operations management, and brand marketing. She has also served as the fourth president of the Taiwan Machine Tool and Components Industry Association - TMBA elimi.</p> <p>Director Huang, Ching-Yun has been focusing on business management, brand image optimization, marketing strategy formulation and production management in the electrical machinery industry for more than 30 years and has rich industry, operation and management experience.</p> <p>Director Huang, Ching-Yun has professional qualifications and experience in leadership decision-making, business management, operational judgment, crisis management, business, operations, marketing and ESG.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>1.She is the representative of the Company's corporate director, You Chang Investment Co., Ltd., and also serves as the Chairman of the corporate director.</p> <p>2.She is concurrently the general manager of the Company.</p> <p>3.She is a relative within the second degree of kinship with Chairman Huang, Ching-Feng, Director Shen, Chien-Hua and Director Huang, Chin-Chen. Not an independent director.</p> <p>4.She is a Chairman of the Board of Directors of Jingshun Investment Co., Ltd., a corporate shareholder holding more than 5% of the Company's issued shares.</p> <p>5.The rest of the independence conditions are in accordance with Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.</p>	<p>-</p>



<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
<p>Director Wen hua Investment Co., Ltd. Representative: Shen, Chien-Hua</p>	<p>Director Shen, Chien-Hua graduated with a master's degree in advanced business administration from National Sun Yat-sen University. He also majored in mechanical power-related majors in the past. He has professional knowledge and skills in operations management and machinery. He has more than 20 years of experience in the machinery-related industry and has rich experience in product research and development, design and production.</p> <p>Director Shen, Chien-Hua has professional qualifications and experience in business management, decision-making, crisis management, commerce, and operations.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>1.He is the representative of the Company's corporate director, Wen hua Investment Co., Ltd., and also serves as the Chairman of the corporate director.</p> <p>2.He also serves as the Company's deputy general manager.</p> <p>3.Chairman Huang, Ching-Feng, Director Huang, Ching-Yun, and Director Huang, Chin-Chen are all relatives within the second degree of kinship.</p> <p>4.He is the legal director representative of You Chang Investment Co., Ltd., a legal shareholder holding more than 5% of the issued shares of the Company.</p> <p>5.The rest of the independence conditions are in accordance with Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.</p>	<p>-</p>

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
<p>Director Jing Yu Investment Co., Ltd. Representative: Huang, Chin-Chen</p>	<p>Director Huang, Chin-Chen graduated from Santa Monica College Computer Science and also majored in electronics-related majors in the past. He has professional knowledge and skills in CS and electronics. He has been focusing on the operation management and international business of the electrical machinery industry for more than 20 years and has rich industry, operation and management experience.</p> <p>Chairman Huang, Chin-Chen has professional qualifications and experience in business management, decision-making, commerce, operations, crisis management and international business.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> <li>1.He is the representative of Jingyu Investment Co., Ltd., the corporate director of the Company, and also serves as the chairman of the corporate director.</li> <li>2.He also serves as the Company's deputy general manager.</li> <li>3.Chairman Huang, Ching-Feng, Director Huang, Ching-Yun, and Director Shen, Chien-Hua are all relatives within the second degree of kinship.</li> <li>4.He is the legal director representative of You Chang Investment Co., Ltd., a legal shareholder holding more than 5% of the issued shares of the Company.</li> <li>5.The rest of the independence conditions are in accordance with Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.</li> </ol>	<p>-</p>

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
<div>Director</div> <div>Tsung-Lin Kuo</div>	<p>Director Kuo Tsung-Lin graduated from the Institute of Accounting of Soochow University and holds a Taiwan Certified Public Accountant Certificate.</p> <p>In the past, he served as assistant manager of PwC Taiwan and chief financial officer of Pili International Multimedia Co., Ltd. He is currently a practicing accountant of Hongsheng Accounting Firm and chairman of the Taiwan Investor Relations Association.</p> <p>Director Kuo, Tsung-Lin has professional qualifications and experience in decision-making, accounting, auditing, financial analysis, crisis management, investor relations, and ESG.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>In accordance with the independence conditions set out in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.</p>	<div>2</div>

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
Independent Director Da-Pai Shen	<p>Independent Director Shen, Da-Bai holds a Ph.D. in Financial Economics from Tulane University in the United States. He is currently a professor in the Department of Accounting at Soochow University and also serves as the director of the school's ESG Sustainable Development Research Center.</p> <p>Independent Director Shen, Da-Bai specializes in accounting research, finance, and risk assessment management. He has served as Secretary-General of the Credit Rating Association, Risk Management Advisory Committee Member of the Securities Dealers Association, Risk Management Business Consultant of the Financial Research and Training Institute, Financial Accounting Standards Formulation Committee Member and Evaluation Standards Committee Member of the Accounting Research and Development Foundation, etc.</p> <p>Independent Director Shen, Da-Bai has professional qualifications and experience in risk management, accounting, finance and ESG.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>Independent Director Shen, Da-Bai met the qualification requirements set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years prior to his election and during his tenure. In addition, independent directors have been granted the power to fully participate in decision making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed their duties accordingly.</p>	3

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
<div>Independent Director</div> <div>Chih-Min Fang</div>	<p>Independent Director Fang, Chi-Min holds a PhD in Strategic Management from the University of Maryland and is currently a professor at National Sun Yat-sen University.</p> <p>Independent Director Fang, Chi-Min specializes in corporate operations management and brand strategy management. He has served as a member of the Science and Technology Review Committee of the Ministry of Economic Affairs, a convener and selection committee member of the Innovation Research Award, and director of the Research and Development Department of the China Productivity Center.</p> <p>Independent Director Fang, Chi-Min has professional experience in operations management and brand strategy.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>Independent Director Fang, Chi-Min met the qualification requirements set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years prior to his election and during his tenure. In addition, independent directors have been granted the power to fully participate in decision making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed their duties accordingly.</p>	<div>3</div>

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
Independent Director Ming-Hong Hsieh	<p>Independent Director Hsieh, Ming-Hung received his Ph.D. in Business Administration from National Taipei University and is currently a professor at the College of Management at Shih Chien University.</p> <p>Independent Director Hsieh, Ming-Hung specializes in creative management, creative industry research, market analysis and marketing. He has served as an associate professor in the Department of Accounting at the China University of Technology and an accounting systems analyst at Accenture Co., Ltd.</p> <p>Independent Director Hsieh, Ming-Hung has professional experience in corporate management, creative marketing, decision analysis and ESG.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>During the two years prior to his election and his tenure, Independent Director Hsieh, Ming-Hung met the qualification requirements set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, and independent directors have been granted the power to fully participate in decision making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed their duties accordingly.</p>	-

<div>Condition</div> <div>Name</div>	Professional qualification and experience	Independence	Number of independent directors of other publicly listed companies
Independent Director Hsin Sun	<p>Independent Director Sun, Hsin graduated with a Master of Laws in Finance from Boston University in the United States. She is qualified as a lawyer in Taiwan and the United States and is currently a partner at Innovatus Law.</p> <p>Independent Director Sun, Hsin specializes in legal consulting on cross-border mergers and acquisitions, private equity funds and venture capital, compliance with financial institution regulations, and related fields. She has served as a senior consultant in the tax and investment department of KPMG in Taiwan and an assistant in the legal affairs department of China Development Financial Holdings and China Development Industrial Bank.</p> <p>Independent Director Sun, Hsin is a legal expert in financial compliance, new laws, cross-border laws and related risks.</p> <p>There is no situation under Article 30 of the Company Act.</p>	<p>During the two years prior to her election and his tenure, Independent Director Sun, Hsin met the qualification requirements set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, and all independent directors have been granted the power to fully participate in decision making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed their duties accordingly.</p>	1

## 5. Diversification and independence of the Board of Directors:

### (1) Diversification of the Board of Directors:

The Company has established the following policies and specific management objectives for diversity of Board members:

On December 19, 2023, the Board of Directors approved the formulation of the Company's "Corporate Governance Best Practice Principle", which was also approved by the shareholders' extraordinary meeting on February 21, 2024. In addition, the Board of Directors approved the establishment of the Company's "Regulations Governing Directors' Election" on April 10, 2023, and the proposal was also approved by the shareholders' meeting on May 19, 2023.

The Company has established a policy of diversity in accordance with Article 20 of the "Corporate Governance Best Practice Principles" and Article 3 of the "Regulations Governing the Election of Directors", including but not limited to the following two major standards:

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

Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. The overall abilities they should possess include: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspectives, leadership, and decision making.

The nomination and selection of members of the Company's Board of Directors is conducted in accordance with Article 20-2 of the Company's "Articles of Incorporation" and adopts a candidate nomination system. In addition to complying with the Regulations Governing Directors' Election to carry out election matters, the academic background information of each candidate is also stated for shareholders to refer to; in order to achieve the goal of diversity in Board members, the candidates nominated by the Board of Directors must comply with the provisions of the Corporate Governance Best Practice Principle.

The Company elected a total of 9 directors (including 4 independent directors) at the 2023 annual general meeting of shareholders (August 30, 2023). All members of the Board of Directors are experts from the industry and academia, with diverse and complementary industry experience and professional capabilities in finance, accounting, and law, which are in line with the management objectives of the Board of Directors' Diversity Policy. The specific management objectives and achievements of the Company's Board diversity policy are as follows:

Management goals	Status of achievement
The target ratio of female directors is 20% or more	Achieved
The number of independent directors shall not be less than one-third of the total number of directors.	Achieved
The term of office of an independent director shall not exceed three consecutive terms	Achieved
At least one of the directors must have passed the national qualification examination and obtained a certificate related to the Company's business. For example: information, law, accounting or finance, etc.	Achieved

All members of the Company's Board of Directors are Taiwanese nationals, with 2 members aged 41-50 (accounting for 22.22% of the total seats), 4 members aged 51-60 (accounting for 44.44% of the total seats) and 3 members aged 61-70 (accounting for 33.33% of the total seats). In order to promote gender equality in the composition of the Board of Directors, there are currently 2 female directors on the Board, accounting for 22.22% of the total seats. The Company considers wide variety of aspects, and all directors have rich operational



judgment and management, crisis management, leadership decision-making ability and industry-related knowledge. Among the Board members, Director Kuo, Tsung-Lin is qualified as an accountant in the Republic of China, and Independent Director Sun, Hsin is qualified as a lawyer in the Republic of China and the State of New York, USA. For the professional qualifications and independence of the Company's individual directors, please refer to “Disclosure of Directors’ Professional Qualifications and Independence of Independent Directors” on pages 15 to 23 of this annual report.

(2) Independence of the Board of Directors:

The Company currently has a total of 9 Board members, of whom 4 are independent directors, accounting for 44.44% of the Board seats. These independent directors possess expertise in areas such as accounting, finance, law, and marketing. To ensure that independent directors are able to exercise their duties objectively and to avoid a decline in independence due to extended tenure, none of the Company’s independent directors have served consecutive terms exceeding nine years. Furthermore, none of the Board members are subject to the circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. For the professional qualifications and independence of the Company's individual directors, please refer to “Disclosure of Directors’ Professional Qualifications and Independence of Independent Directors” on pages 15 to 23 of this annual report.

All Board members adhere to a high standard of self-discipline. For any proposal presented at a Board meeting where a director or the legal entity they represent has a conflict of interest, the director is required to disclose the material aspects of such conflict at the meeting. If the conflict is deemed detrimental to the interests of the Company, the director must refrain from participating in the discussion and voting on the matter and must abstain from acting as a proxy to vote on behalf of other directors.

Implementation of the Board diversity policy by individual directors:

March 31, 2025

Diversity items Name	Gender	Nationality	Age	Term of office of independent director	Industry experience							Professional ability	
					Operational judgment	Leadership decision	Business management	Crisis management	Industry knowledge	Business and marketing	ESG	Finance and accounting	Law
Director Jing Zhi Investment Co., Ltd. Representative: Huang, Ching-Feng	Male	Republic of China	51-60 years old	-	✓	✓	✓	✓	✓	✓			
Director You Chang Investment Co., Ltd. Representative: Huang, Ching-Yun	Female	Republic of China	51-60 years old	-	✓	✓	✓	✓	✓	✓	✓	✓	
Director Wen hua Investment Co., Ltd. Representative: Shen, Chien-Hua	Male	Republic of China	51-60 years old	-	✓	✓	✓	✓	✓	✓			
Director Jing Yu Investment Co., Ltd. Representative: Huang, Chin-Chen	Male	Republic of China	51-60 years old	-	✓	✓	✓	✓	✓	✓			
Director Tsung-Lin Kuo	Male	Republic of China	41-50 years old	-	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director Da-Pai Shen	Male	Republic of China	61-70 years old	Under 3 years	✓	✓	✓	✓	✓		✓	✓	
Independent Director Chih-Min Fang	Male	Republic of China	61-70 years old	Under 3 years	✓	✓	✓	✓	✓	✓			
Independent Director Ming-Hong Hsieh	Male	Republic of China	61-70 years old	Under 3 years	✓	✓	✓	✓	✓	✓	✓		
Independent Director Hsin Sun	Female	Republic of China	41-50 years old	Under 3 years	✓	✓	✓	✓	✓				✓

If the number of directors of the same gender on the Board of Directors is less than one third, the reasons and measures to be taken to improve the gender diversity of directors shall be stated:

The Company currently has two female directors on its Board of Directors, accounting for 22.22% of the total seats. Although this does not reach one third of the Board seats, it has met the requirement of having at least one female director. In the future, the Company will strive to improve gender equality in the composition of the Board of Directors and aim to increase the number of female directors to more than one third.

## (II) General managers, deputy general managers, senior managers, and heads of various departments and branches

March 29, 2025; Unit: Shares; %

Title	Name	Gender	Nationality	Assume office Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in other companies	Managers who are spouses or have a relationship within the second degree of kinship			Employee stock warrants acquired by managers	Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Chairman and Chief Strategy Officer	Huang, Ching-Feng	Male	Republic of China	2020.07.10	584,000	1.45	-	-	-	-	Department of Electrical Engineering, Southern Taiwan University of Science and Technology Chief Strategy Officer, Walrus Pump Co., Ltd. Vice Chairman, Strategy Committee, Walrus Pump Co., Ltd. Vice Chairman, Management Committee, Walrus Pump Co., Ltd. Senior Deputy General Manager, Management Committee, Walrus Pump Co., Ltd. Kaohsiung Factory Manager, Walrus Pump Co., Ltd.	Chairman, Jingxiong Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Supervisor, Jingzhi Investment Co., Ltd.	General Manager Deputy General Manager Deputy General Manager	Huang, Ching-Yun Shen, Chien-Hua Huang, Chin-Chen	Second degree kinship Second degree kinship Second degree kinship	-	-
General Manager	Huang, Ching-Yun	Female	Republic of China	2014.10.01	584,000	1.45	-	-	-	-	PhD in Business Administration at European University General Manager, Walrus Pump Co., Ltd. General Manager, Management Committee, Walrus Pump Co., Ltd. Acting General Manager, Management Committee, Walrus Pump Co., Ltd. Deputy General Manager, Management Committee, Walrus Pump Co., Ltd. Director, Production Division, Walrus Pump Co., Ltd. Manager, Management Department, Walrus Pump Co., Ltd. 4th President, Taiwan Machine Tool and Components Industry Association - TMBA elimi	Chairman, You Chang Investment Co., Ltd. Chairman, Invesco Ltd. Chairman, WALRUS INTERNATIONAL MARKETING CO., LTD.	Chairman and Chief Strategy Officer Deputy General Manager Deputy General Manager	Huang, Ching-Feng Shen, Chien-Hua Huang, Chin-Chen	Second degree kinship Second degree kinship Second degree kinship	-	-
Deputy General Manager	Shen, Chien-Hua	Male	Republic of China	2017.01.01	584,000	1.45	-	-	-	-	EMBA, National Sun Yat-sen University Department of Mechanical Engineering, Nanya Institute of Technology Deputy General Manager/Chief Technical Officer, Walrus Pump Co., Ltd. Factory Manager, Sanzhi Plant, Walrus Pump Co., Ltd. Special Assistant to the Chairman, Walrus Pump Co., Ltd. Senior Manager, YOU JI MACHINE	Chairman, Minhua Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd.	Chairman and Chief Strategy Officer General Manager Deputy General Manager	Huang, Ching-Feng Huang, Ching-Yun Huang, Chin-Chen	Second degree kinship Second degree kinship Second degree kinship	-	-

Title	Name	Gender	Nationality	Assume office Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in other companies	Managers who are spouses or have a relationship within the second degree of kinship			Employee stock warrants acquired by managers	Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
											INDUSTRIAL CO., LTD.						
Deputy General Manager	Huang, Chin-Chen	Male	Republic of China	2017.01.01	584,000	1.45	-	-	-	-	Santa Monica College Computer Science Deputy General Manager, Walrus Pump Co., Ltd. Responsible person of SUZHOU WALRUS PUMP CO., LTD. International Business Manager, Walrus Pump Co., Ltd.	Chairman, Jingyu Investment Co., Ltd. Director, You Chang Investment Co., Ltd. Director, Jingxiong Investment Co., Ltd.	Chairman and Chief Strategy Officer General Manager Deputy General Manager	Huang, Ching-Feng  Huang, Ching-Yun Shen, Chien-Hua	Second degree kinship  Second degree kinship Second degree kinship	-	-
Deputy General Manager	Chiu, Chien-Lung	Male	Republic of China	2022.02.01	165,800	0.41	-	-	-	-	Department of Mechanical Engineering, Asia Eastern University of Science and Technology Deputy General Manager, Walrus Pump Co., Ltd. Deputy Director and Senior Manager of Home Business Department, Walrus Pump Co., Ltd.  Senior Manager of Home Business Department and Manager of Purchasing Department, Walrus Pump Co., Ltd. Senior Manager of Home Business Department, Walrus Pump Co., Ltd. Manager of Home Business Department, Walrus Pump Co., Ltd.	-	-	-	-	-	-
Chief Financial Officer	Chang, Teng-Hsi	Male	Republic of China	2019.07.01	324,000	0.80	-	-	-	-	Master of Institute of Social Studies, Soochow University CFO, Walrus Pump Co., Ltd. Finance Manager, HSIN TUNG YANG CONSTRUCTION CO., LTD. Manager of Administrative Department, Pili International Multimedia Co., Ltd. Senior Manager, PwC Taiwan	-	-	-	-	-	-
Senior Manager	Chen, Yung-Chi	Male	Republic of China	2021.08.02	37,000	0.09	-	-	-	-	Oxford Brookes University Information Management Senior Manager, Walrus Pump Co., Ltd. UNIVERSAL EXPORTS GROUP_Supplier Chain Director UNIVERSAL EXPORTS GROUP_Sales Director STYLCO PTY. LTD._Sales Manager	-	-	-	-	-	-
Senior Manager	Sun, Kuo-Hwa	Male	Republic of China	2021.08.16	39,000	0.10	-	-	-	-	Durham University MBA Senior Manager, Walrus Pump Co., Ltd.	-	-	-	-	-	-

Title	Name	Gender	Nationality	Assume office Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience/educational background	Positions held in other companies	Managers who are spouses or have a relationship within the second degree of kinship			Employee stock warrants acquired by managers	Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
											General Manager, SUZHOU WALRUS PUMP CO., LTD. Assistant Manager, Qisda Corporation Manager, Innolux Corp.						
Senior Manager (Note 1)	Lin, Hsueh-Cheng	Male	Republic of China	2024.07.01	40,000	0.10	-	-	-	-	Master of Management Science, Ming Chuan University Senior Manager, WALRUS PUMP Co., Ltd. General Manager, WALRUS PUMP Co., Ltd. Deputy General Manager, Cleaning Business Group, TAIWAN WASHING CO., LTD. (TAIWAN TAXI CO., LTD. - JieYiJia) Business Senior Manager, Pro-Nets Technology Corporation Assistant Manager, Laptop Manufacturing, Inventec Corproation	-	-	-	-	-	-
Head of Corporate Governance (Note 2)	Lin, Hsin-Hui	Female	Republic of China	2025.01.01	-	-	-	-	-	-	Master of Accounting, Chaoyang University of Technology Manager, Walrus Pump Co., Ltd. Manager of Corporate Governance Department, ENERGENESIS BIOMEDICAL CO., LTD. Manager of Investor Relations Department, Pili International Multimedia Co., Ltd. Auditor, PwC Taiwan	-	-	-	-	-	-
Accounting supervisor (Note 3)	Chang, Wen-Chin	Male	Republic of China	2025.03.01	48,279	0.12	-	-	-	-	Master of Business Administration, Soochow University Manager, Walrus Pump Co., Ltd. Director and CFO, Operation and Management Department, GoldTech Electronics Co., Ltd. Audit Assistant Manager, Taieasy International Deputy Manager, Audit Department, Deloitte Taiwan	-	-	-	-	-	-

Note 1: Senior Manager Lin, Hsueh-Cheng was promoted by the Board of Directors on June 11, 2024 and will take effect from July 1, 2024.

Note 2: Manager Lin, Hsin-Hui was appointed by the Board of Directors on December 24, 2024, and the appointment took effect on January 1, 2025.

Note 3: Manager Chang, Wen-Chin was appointed by the Board of Directors on February 26, 2025, and the appointment took effect on March 1, 2025.

## II. Remuneration to directors, general managers, and deputy general managers

### (I) Remuneration to general directors and independent directors

December 31, 2024; Unit: NTD thousands; %

Title	Name	Directors' remuneration								The sum of A, B, C and D as a percentage of net income after tax		The relevant remuneration received by the part-time employees								The sum of A, B, C, D, E, F and G as a percentage of net income after tax		Receiving remuneration from investee enterprises other than subsidiaries or from the parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution cost (D)				Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
Cash amount	Stock amount															Cash amount	Stock amount					
Chairman	Jing Zhi Investment Co., Ltd. Representative: Huang, Ching-Feng	2,400	2,400	-	-	1,409	1,409	175	175	3,984 3.94%	3,984 3.94%	13,945	13,945	324	324	1,522	-	1,522	-	19,775 19.55%	19,775 19.55%	-
Director	You Chang Investment Co., Ltd. Representative: Huang, Ching-Yun																					
Director	Wen hua Investment Co., Ltd. Representative: Shen, Chien-Hua																					
Director	Jing Yu Investment Co., Ltd. Representative: Huang, Chin-Chen																					
Director	Tsung-Lin Kuo																					
Independent Director	Da-Pai Shen	1,920	1,920	-	-	1,127	1,127	150	150	3,197 3.16%	3,197 3.16%	-	-	-	-	-	-	-	-	3,197 3.16%	3,197 3.16%	-
Independent Director	Chih-Min Fang																					
Independent Director	Ming-Hong Hsieh																					
Independent Director	Hsin Sun																					

Title	Name	Directors' remuneration								The sum of A, B, C and D as a percentage of net income after tax	The relevant remuneration received by the part-time employees								The sum of A, B, C, D, E, F and G as a percentage of net income after tax	Receiving remuneration from investee enterprises other than subsidiaries or from the parent company	
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution cost (D)			Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	Cash amount	Stock amount	Cash amount			Stock amount
<p>1. Please describe the policy, system, standards and structure for the payment of remuneration to independent directors, and explain the correlation between the responsibilities, risks, time invested and other factors and the amount of remuneration paid: The Company's independent directors' remuneration is paid on a fixed basis, mainly to maintain their independence and facilitate the performance of their supervisory functions. Independent directors are paid a fixed monthly remuneration of NT\$40,000, and travel expenses of NT\$5,000 are paid each time they attend meetings. According to the "Rules on the Scope of Duties of Independent Directors" established by the Company, the responsibilities and risks they bear include: supervising the proper presentation of the Company's financial statements, the selection (dismissal) and independence and performance of certified public accountants, the effective implementation of the Company's internal control, and the Company's compliance with relevant laws and regulations. In order to control the existing or potential risks, the Company has purchased directors' liability insurance for independent directors. The Company's independent directors participate in at least 4 Board meetings, 4 audit committee meetings, and 2 remuneration committee meetings each year. In order to ensure the integrity of corporate operations, the independent directors review internal audit reports every month and communicate regularly with the internal audit supervisor and accountants regarding internal controls and financial statements.</p> <p>2. In addition to the above disclosures, remuneration received by the Company's directors for services rendered in the most recent year (such as serving as consultants to the parent company/all companies included in the financial report/invested businesses who are not employees, etc.): None.</p>																					

Remuneration level of each director of the Company	Remuneration level			
	Name of director			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements H	The Company	All companies included in the financial statements I
less than NT\$1,000,000	Huang, Ching-Feng, Huang, Ching-Yun, Shen, Chien-Hua, Huang, Chin-Chen, Kuo, Tsung-Lin, Shen, Da-Bai, Fang, Chi-Min, Hsieh, Ming-Hung, Sun, Hsin	Huang, Ching-Feng, Huang, Ching-Yun, Shen, Chien-Hua, Huang, Chin-Chen, Kuo, Tsung-Lin, Shen, Da-Bai, Fang, Chi-Min, Hsieh, Ming-Hung, Sun, Hsin	Kuo, Tsung-Lin, Shen, Da-Bai, Fang, Chi-Min, Hsieh, Ming-Hung, Sun, Hsin	Kuo, Tsung-Lin, Shen, Da-Bai, Fang, Chi-Min, Hsieh, Ming-Hung, Sun, Hsin
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-	Huang, Ching-Yun, Shen, Chien-Hua, Huang, Chin-Chen	Huang, Ching-Yun, Shen, Chien-Hua, Huang, Chin-Chen
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-	Huang, Ching-Feng	Huang, Ching-Feng
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	9 seats	9 seats	9 seats	9 seats

## (II) Remuneration to supervisors

The Company has established an Audit Committee and is not required by law to establish or appoint supervisors, so this does not apply.



(III) Remuneration of general managers and deputy general managers

December 31, 2024; Unit: NTD thousands; %

December 31, 2024, Unit: NTD thousands, %

Title	Name	Salaries (A)		Severance pay and pension (B)		Bonuses and special expenditures, etc. (C)		Amount of employee compensation (D)				The sum of A, B, C and D as a percentage of net income after tax		Receiving remuneration from investee enterprises other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Strategy Officer	Huang, Ching-Feng	14,172	14,172	540	540	5,092	5,092	2,029	-	2,029	-	21,833 21.58%	21,833 21.58%	-
General Manager	Huang, Ching-Yun													
Deputy General Manager and Chief Technology Officer	Shen, Chien-Hua													
Deputy General Manager	Huang, Chin-Chen													
Deputy General Manager	Chiu, Chien-Lung													
Chief Financial Officer	Chang, Teng-Hsi													

# Remuneration level

The remuneration range for each general manager and deputy general manager of the Company	Name of the general manager and deputy general manager	
	The Company	All companies included in the financial statements E
less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Shen, Chien-Hua, Huang, Chin-Chen, Chiu, Chien-Lung, Chang, Teng-Hsi	Shen, Chien-Hua, Huang, Chin-Chen, Chiu, Chien-Lung, Chang, Teng-Hsi
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Huang, Ching-Feng, Huang, Ching-Yun	Huang, Ching-Feng, Huang, Ching-Yun
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	6 seats	6 seats

## (IV) Name of the manager who distributes employee remuneration and the distribution situation

December 31, 2024; Unit: NTD thousands; %

	Title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net profit after tax (%)
Managers	Chief Strategy Officer	Huang, Ching-Feng	0	2,536	2,536	2.51%
	General Manager	Huang, Ching-Yun				
	Deputy General Manager and Chief Technology Officer	Shen, Chien-Hua				
	Deputy General Manager	Huang, Chin-Chen				
	Deputy General Manager	Chiu, Chien-Lung				
	Chief Financial Officer	Chang, Teng-Hsi				
	Senior Manager	Chen, Yung-Chi				
	Senior Manager	Sun, Kuo-Hwa				
	Senior Manager	Lin, Hsueh-Cheng (Note 2)				

Note 1: This is the amount of employee remuneration distributed as approved by the Board of Directors of the Company on February 26, 2025, and is estimated based on the proportion of employee remuneration distributed in 2024.

Note 2: Senior Manager Lin, Hsueh-Cheng was promoted by the Board of Directors on June 11, 2024 and will take effect from July 1, 2024.

(V) A comparative analysis of the proportion of remuneration paid to the directors, general managers and deputy general managers of the Company and all the companies in the consolidated financial statements in the last two years as a percentage of net income after tax, and an explanation of the policy, standard and combination of remuneration payment, the remuneration setting process and the correlation with operating performance and future risks

1. Analysis of the ratio of remuneration paid by the Company and all the companies in the consolidated financial statements to the Company's directors, supervisors, general managers and deputy general managers to net income after tax

Item  Title	2023				2024			
	Total remuneration		Proportion of net profit after tax (%)		Total remuneration		Proportion of net profit after tax (%)	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Director	2,264	2,264	3.09%	3.09%	7,181	7,181	7.10%	7.10%
General Manager and Deputy General Manager	18,098	18,098	24.72%	24.72%	21,833	21,833	21.58%	21.58%

Note: The net profit after tax in the Company's 2023 and 2024 financial reports was NT\$73,200 thousand and NT\$101,158 thousand, respectively.

2. Remuneration policy, standards and composition, remuneration setting procedures, and remuneration relationship with business performance and future risks

On July 19, 2023, the Board of Directors of the Company passed a resolution to establish the “Regulations on the Management of Salaries and Remuneration of Directors, Supervisors and Managers”, and on December 19, 2023, the Compensation Committee and the Board of Directors approved the revision of the name to “Regulations on the Management of Salaries and Remuneration of Directors and Managers” to implement corporate governance and rationalize and institutionalize the salaries and remuneration of directors and managers. The Company has formulated the policy, standards and combination of remuneration and related procedures in accordance with the management regulations, which are explained as follows:

(1)The policy, standard and combination of the remuneration:

- A. The remuneration structure mainly consists of: monthly salary, other bonuses, year-end bonus, employee remuneration and director remuneration.
- B. Salaries: Refer to the industry standards and items such as job title, rank, education, experience, professional ability and responsibilities.
- C. Other bonuses: Consider the performance evaluation of managers (including general manager, chief strategy officer and deputy general manager, etc.), including:
  - Financial indicators: operational performance, target achievement rate, project participation and contribution, etc.
  - Non-financial indicators: Implementation of the Company's core values and operational management capabilities, participation in sustainable operations, compliance with laws and regulations, and significant deficiencies in operational

risk matters.

➤ ESG strategic objectives: Achievement rates of green procurement, energy-saving measures, customer satisfaction, information security policies, talent attraction-related indicators, and ESG education and training.

- D. Year-end bonus: The bonus is issued based on the manager's contribution to the Company's operations and the evaluation indicators set in accordance with the employee performance management regulations. It is approved by the Compensation and Nomination Committee and submitted to the Board of Directors for discussion and approval before it can be issued.
- E. Employees' remuneration: In accordance with Article 33-1 of the Company's Articles of Incorporation, the allocation and distribution of employee remuneration shall be based on the evaluation indicators set by managers in accordance with the employee performance management regulations, job level and other comprehensive considerations as the payment criteria, and shall be submitted to the Board of Directors for discussion and approval after the resolution of the Remuneration and Nomination Committee.
- F. Directors' remuneration: The allocation and distribution of directors' remuneration shall be made in accordance with Article 33-1 of the Company's Articles of Incorporation, taking the directors' level of operational participation and contribution value into account, and the annual performance evaluation results of the Board of Directors as the payment criteria. The Remuneration and Nomination Committee shall pass the resolution and submit it to the Board of Directors for discussion and approval before payment.

(2) Procedures for determining remuneration:

- A. The employee salary policy is formulated based on personal work experience, work ability, performance, external competition, internal fairness and other considerations. It is positively correlated with business performance and does not differ based on age, gender, race, religion, political stance, marital status and other circumstances.
- B. Year-end bonus: The base and total amount of year-end bonus are determined based on each year's operating performance.
- C. Employee remuneration: It shall be handled in accordance with the provisions of the Company's Articles of Incorporation. If the Company makes a profit in the year, it shall allocate 3% to 10% of it, of which at least 2% shall be allocated to entry-level employees. However, if the Company still has accumulated losses, it shall reserve a compensation amount in advance and then allocate it in proportion. (Note: The relevant entry-level employee contribution ratio has been proposed for revision at the 2025 shareholders' meeting. It will be implemented in the future after it is approved by the shareholders' meeting on May 27, 2025)
- D. Directors' remuneration: In accordance with the Company's Articles of Incorporation, if the Company makes a profit in the year, no more than 2% shall be set aside as directors' remuneration.

(3) The correlation between operating performance and future risks:

- A. The review of the Company's remuneration policy and related payment standards and systems is based on the Company's overall operating conditions. The payment standards are determined based on performance and contribution to improve the overall organizational team efficiency. We also refer to industry salary standards and market

salary levels to ensure that the remuneration of our management is competitive.

- B. The performance targets of our managers are combined with “risk control” to ensure that possible risks within the scope of responsibility are managed and prevented, and the results of the assessment are based on actual performance and linked to relevant salary and remuneration policies.
- C. Important decisions of the Company's management are made after balancing various risk factors. The performance of relevant decisions is reflected in the Company's profitability, and the remuneration of the management is related to the performance of risk control. The Company's Remuneration and Nomination Committee conducts salary review every year in accordance with its authority, regularly examines the rationality of salary and remuneration, and reports to the Board of Directors.

From the first to the fourth quarter of 2024, the performance bonuses for the Company's managerial officers were approved during the meetings of the Remuneration and Nomination Committee and the Board of Directors held on May 10, August 9, and November 8, 2024, and February 26, 2025. The approval was based on performance evaluations of the managers conducted according to the Company's established financial and non-financial indicators as well as ESG strategic goals.

The Company's 2024 year-end bonus for managers was approved by the Remuneration and Nomination Committee and the Board of Directors on December 24, 2024, based on a comprehensive consideration of the managers' contribution to the Company's operations and evaluation indicators.

Regarding the distribution of 2023 employee compensation and director remuneration carried out in 2024, this was approved by the Remuneration and Nomination Committee and the Board of Directors on June 11, 2024, after a comprehensive assessment of manager's performance indicators and job grades. Director remuneration was determined based on their level of involvement in operations and the value of their contributions, such as providing feedback and improvement proposals regarding the progress of Company projects and with reference to the results of the annual Board performance evaluation.

The Company's 2024 employee compensation and director remuneration appropriation plan has been approved by the Remuneration and Nomination Committee and the Board of Directors on February 26, 2025. In accordance with the Company's Articles of Incorporation, NT\$8,876,423 in employee compensation and NT\$2,536,121 in director remuneration will be allocated, totaling NT\$11,412,544, and all will be paid in cash.

On February 26, 2025, the Remuneration and Nomination Committee and the Board of Directors resolved to approve the issuance of new restricted employee shares for 2025, aimed at attracting and retaining key talent while aligning employee interests with shareholder interests by linking them to ESG strategic performance results. This proposal has been submitted for discussion at the shareholders' meeting scheduled for May 27, 2025.

### III. Operation of corporate governance

#### (I) Operation of the Board of Directors

The Board of Directors held 7 meetings (A) in 2024. The attendance of directors was as follows:

Title	Name	Actual attendance (number of attendance) (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Note
Chairman	Jing Zhi Investment Co., Ltd. Representative: Huang, Ching-Feng	7	0	100%	-
Director	You Chang Investment Co., Ltd. Representative: Huang, Ching-Yun	7	0	100%	-
Director	Wen hua Investment Co., Ltd. Representative: Shen, Chien-Hua	7	0	100%	-
Director	Jing Yu Investment Co., Ltd. Representative: Huang, Chin-Chen	6	1	86%	-
Director	Tsung-Lin Kuo	7	0	100%	-
Independent Director	Da-Pai Shen	7	0	100%	-
Independent Director	Chih-Min Fang	6	1	86%	-
Independent Director	Ming-Hong Hsieh	7	0	100%	-
Independent Director	Hsin Sun	5	2	71%	-

Other matters to be recorded:

- If the operation of the Board of Directors has any of the following circumstances, the date, period, content of the proposals, opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated:
  - Items listed under Article 14-3 of the Securities and Exchange Act: Please refer to the operation of the Audit Committee in this annual report. All independent directors approved all motions unanimously.
  - In addition to the above matters, other matters resolved by the Board of Directors that were opposed or reserved by the independent directors and have records or written statements: No such situation.
- The implementation of directors' recusal of resolutions with conflicts of interest shall state the director's name, resolution content, reason for recusal and voting participation:

Date of Board of Directors	Name of director	Proposal content	Reasons for recusal	Participation in voting
2024/05/10	Huang, Chin-Chen	The Company's manager performance bonus distribution plan for the first quarter of 2024	The directors who have recused themselves are the recipients of this bonus program	Leave the meeting during discussions and voting

2024/06/11	Huang, Ching-Feng	The Company's 2023 Employee Remuneration and Director Remuneration Distribution Plan	The directors who recused themselves are the recipients of this remuneration distribution proposal	Leave the meeting during discussions and voting
	Huang, Ching-Yun			
	Shen, Chien-Hua			
	Huang, Chin-Chen			
	Tsung-Lin Kuo			
	Da-Pai Shen			
	Chih-Min Fang			
	Ming-Hong Hsieh			
2024/08/09	Hsin Sun			
	Huang, Chin-Chen	The Company's manager performance bonus distribution plan for the second quarter of 2024	The directors who have recused themselves are the recipients of this bonus program	Leave the meeting during discussions and voting
2024/11/08	Ming-Hong Hsieh	Proposal to add the Company's Sustainable Development Committee members	The director who recused himself is the person to be appointed in this proposal	Leave the meeting during discussions and voting
	Huang, Chin-Chen	The Company's manager performance bonus distribution plan for the third quarter of 2024	The directors who have recused themselves are the recipients of this bonus program	Leave the meeting during discussions and voting
2024/12/24	Huang, Ching-Feng	Distribution of 2024 year-end bonus for managers	The directors who have recused themselves are the recipients of this bonus program	Leave the meeting during discussions and voting
	Huang, Ching-Yun			
	Shen, Chien-Hua			
	Huang, Chin-Chen			

3. Information on the evaluation cycle and period, scope, method and content of the Board's self-evaluation:

The Company's Board of Directors approved the Company's "Rules for Performance Evaluation of Board of Directors" on September 8, 2023, and revised it on May 10, 2024. According to the regulations, performance evaluation of the entire Board of Directors, individual directors and functional committees shall be carried out at least once a year.

(1) The evaluation cycle and period, evaluation scope, method and evaluation content of the Company's Board of Directors evaluation are as follows:



Assessment cycle	Evaluation period	Scope of evaluation	Method of Evaluation	Evaluation content
once a year	2024/1/1~ 2024/12/31	1. The entire Board of Directors 2. Individual Board member 3. Functional committees (including Audit Committee, Remuneration and Nomination Committee and Sustainability Development Committee)	1. Self-evaluation of the Board of Directors' performance 2. Self-evaluation of individual directors 3. Internal self-evaluation of the operational performance of functional committees (including the Audit Committee, Remuneration and Nomination Committee, and Sustainability Committee)	1. Board of Directors' performance evaluation items: <ul style="list-style-type: none"> <li>• The degree of participation in the Company's operations.</li> <li>• Improvement of the quality of the Board of Directors' decision making;</li> <li>• Composition and structure of the Board of Directors.</li> <li>• Election and continuing education of the directors.</li> <li>• Internal control.</li> </ul> 2. Performance evaluation items for individual directors: <ul style="list-style-type: none"> <li>• Alignment of the goals and mission of the company.</li> <li>• Awareness of the duties of a director</li> <li>• The degree of participation in the Company's operations.</li> <li>• Management of internal relationship and communication.</li> <li>• Professionalism and continuing professional education.</li> <li>• Internal control.</li> </ul> 3. Performance evaluation items of functional committees (including Audit Committee, Remuneration and Nomination Committee and Sustainability Development Committee): <ul style="list-style-type: none"> <li>• The degree of participation in the Company's operations.</li> <li>• Awareness of the duties of the functional committee.</li> <li>• Improvement in the quality of decision making by the functional</li> </ul>

				committee. • Composition of the functional committee and election of its members. • Internal control.
<p>(2) The performance evaluations of the Company's overall Board of Directors, individual Board members, and functional committees (including the Audit Committee, the Remuneration and Nomination Committee, and the Sustainability Development Committee) were conducted using internal questionnaires. In 2024, the average evaluation scores for the overall Board, individual directors, and functional committees all improved compared to the previous year, falling within the range of 5 ("Excellent") to 4 ("Very Good"). This indicates that the directors demonstrated improved understanding of the Company's goals, missions, and responsibilities, and that each functional committee operated effectively, thereby contributing to the strengthening of the Board's supervisory role, enhancing management functions, and improving the effectiveness and quality of corporate governance.</p> <p>The evaluation reports for the overall Board, individual directors, and functional committees in 2024 (including the Audit Committee, the Remuneration and Nomination Committee, and the Sustainability Development Committee) were presented to the Board of Directors on February 26, 2025. These reports serve as references for Board and committee decision-making to enhance the quality of governance, and can also be used when nominating director candidates or selecting members for functional committees.</p> <p>(3) Pursuant to Article 3 of the Company's "Board of Directors Performance Evaluation Rules", the performance evaluation of the Company's Board of Directors shall be conducted at least once every three years by an external professional independent organization or a team of external experts and scholars. The Company plans to have the performance evaluation of the Board of Directors performed by external professional independent institutions or external expert teams in the second half of 2025.</p> <p>4. Evaluation of the goals and implementation status of strengthening the functions of the Board of Directors in the current year and the most recent year:</p> <p>(1) To further enhance corporate governance and deepen sustainable development efforts, in addition to the legally required Audit Committee and Remuneration and Nomination Committee, the Company's Board of Directors resolved on March 15, 2024, to establish the Sustainability Development Committee. The committee consists of four members: one director, two independent directors, and one executive with a U.S. CFA ESG Investing certification. Through this committee, the Company aims to support the Board in implementing sustainability-related decisions.</p> <p>(2) In order to strengthen the management mechanism of the Board of Directors, the Board of Directors of the Company expanded the authority of the "Remuneration and Nomination Committee" to include the functions of the "Nomination Committee". On February 26, 2025, the Board of Directors passed a resolution to change the Company's "Remuneration Committee" to the "Remuneration and Nomination Committee".</p> <p>(3) The Company adheres to transparent operations and focuses on the interests of shareholders. It has set up an "Investor Zone" on its official website to provide relevant information in real time and participate in corporate briefings from time to time. In 2024, it participated in 2 corporate briefings and held 1 performance announcement conference.</p> <p>(4) In order to enable independent directors to fully exercise their powers and have a more advanced understanding of the Company's financial reports and financial and business conditions, independent directors are encouraged to communicate with the internal audit director and accountants separately or jointly in the form of meetings or</p>				

seminars. In 2024, the Company's independent directors communicated with the internal audit director 7 times and with the accountants 3 times, and discussed financial reports, auditing business, internal control systems, new laws and regulations, and other issues.

- (5) In 2024, the Company has purchased liability insurance for directors and key employees with an insured amount of US\$1 million. The insurance period is from September 1, 2024 to September 1, 2025, in order to disperse the legal liability risks of directors and key managers and enhance the Company's governance capabilities. The proposal report has been submitted to the Board of Directors on October 3, 2024.
- (6) In order to improve the corporate governance system, the Company has adopted or revised the relevant corporate governance rules and regulations in 2024 by resolution of the Board of Directors, including: establishing the Company's "Risk Management Policies and Procedures" and "Standard Operating Procedures for Handling Directors' Requests", and revising the Company's "Rules for Performance Evaluation of Board of Directors" and "Corporate Governance Best Practice Principle".

(II) Operation of the Audit Committee:

The Company established an Audit Committee on August 30, 2023 to replace the previous supervisory system. The committee members are composed of all independent directors of the Board of Directors, with a minimum of three members, at least one of whom must have accounting or financial expertise.

After the re-election of directors at the Company's regular shareholders' meeting on August 30, 2023, the term of the first Audit Committee will end on August 29, 2026, with a term of three years. There will be four members, and all members will elect Independent Director Shen, Da-Bai as the convener. The operation is in accordance with the Company's "Audit Committee Organization Charter" and meetings are held at least once a quarter. The resolution of the Committee shall be approved by more than one half of the members.

The main responsibilities of the Audit Committee are to review and supervise the Company's financial reports, risk control matters and financial-related proposals. Its review items include: company financial reports, company accounting and internal control systems, major asset or derivative transactions, fundraising or issuance of securities, appointment, dismissal or remuneration of certified public accountants, matters involving the personal interests of directors, and appointment and dismissal of financial, accounting or internal audit supervisors.

1. The Company's 2024 Audit Committee meeting reviewed the following important items:

- (1) Quarterly financial reports.
- (2) Annual business report, financial statements and earnings distribution.
- (3) Audit Quality Index (AQI) assessment and appointment, independence and appointment fees of CPAs.
- (4) Amendment to the internal control system.
- (5) Annual audit plan.
- (6) Internal control system effectiveness assessment
- (7) Formulate the Company's "Risk Management Policy and Procedures" to supervise risk management.
- (8) Capital increase in cash by private placement of common shares.
- (9) The issuance of common shares for cash capital increase is for public underwriting before listing on the Taipei Exchange.
- (10) The Company's financial report preparation capability assessment form and the CPAs' description and suggestions on the Company's financial report preparation capability.

2. Professional qualifications and experience of Audit Committee members: Please refer to "Information on Directors and Independent Directors" on pages 9 to 13 and "Disclosure of Directors' Professional Qualifications and Independence of Independent Directors" on pages 15 to 23 of this annual report.

3. The Audit Committee held 7 meetings in the most recent year (A), and the attendance of the members was as follows:

Title	Name	Actual attendance (number of attendance) (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Note
Independent director (convener)	Da-Pai Shen	7	0	100%	-
Independent Director	Chih-Min Fang	6	1	86%	-
Independent Director	Ming-Hong Hsieh	7	0	100%	-
Independent Director	Hsin Sun	5	2	71%	-

Other matters to be recorded:

1. If the operation of the Audit Committee involves any of the following circumstances, the date and period of the Audit Committee meeting, the content of the proposals, the objections, reservations or major suggestions of the independent directors, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be stated:

(1) Items listed under Article 14-5 of the Securities and Exchange Act:

Session Date of meeting	Proposal content	Resolution outcome	Contents of independent directors' objections, reservations or major suggestions	The Company's handling of the opinions of the Audit Committee
1st meeting in 2024 2024/03/15	1. The Company's 2023 financial statements and business report. 2. Statement of Internal Control System of the Company in 2023. 3. Draft the Company's "Risk Management Policy and Procedures". 4. Assessment of the independence and suitability of the Company's CPAs in 2024. 5. The Company intends to conduct a cash capital increase by private placement of common shares.	All the members present agreed to pass the resolution and submitted it to the Board of Directors for resolution	None	Approved by the Board of Directors
2nd meeting in 2024 2024/05/10	The Company's consolidated financial statements for the first quarter of 2024.	All the members present agreed to pass the resolution and	None	Approved by the Board of Directors

		submitted it to the Board of Directors for resolution		
3rd meeting in 2024 2024/06/11	<ol style="list-style-type: none"> <li>1. Financial forecast for the third and fourth quarters of 2024</li> <li>2. “Internal Control System Statement” for the Company's application for listing on the Taipei Exchange</li> <li>3. The Company's “Financial Report Preparation Capability Description Evaluation Form and CPAs’ Description and Suggestions on the Company's Financial Report Preparation Capability”</li> </ol>	All the members present agreed to pass the resolution and submitted it to the Board of Directors for resolution	None	Approved by the Board of Directors
4th session in 2024 2024/08/09	The Company's consolidated financial statements for the second quarter of 2024	All the members present agreed to pass the resolution and submitted it to the Board of Directors for resolution	None	Approved by the Board of Directors
5th session in 2024 2024/10/03	Plan to apply for the initial OTC cash capital increase and issuance of common stock for public underwriting before OTC listing	All the members present agreed to pass the resolution and submitted it to the Board of Directors for resolution	None	Approved by the Board of Directors
113 years 6th meeting 2024/11/08	<ol style="list-style-type: none"> <li>1. The Company's consolidated financial statements for the third quarter of 2024</li> <li>2. Proposal to incorporate sustainable information management into the internal control system in accordance with the regulations of the Financial Supervisory Commission</li> </ol>	All the members present agreed to pass the resolution and submitted it to the Board of Directors for resolution	None	Approved by the Board of Directors
113 years 7th meeting 2024/12/24	<ol style="list-style-type: none"> <li>1. The Company's 2025 business plan and financial budget.</li> <li>2. The Company's 2025 audit plan</li> </ol>	All the members present agreed to pass the resolution and submitted it to	None	Approved by the Board of Directors

		the Board of Directors for resolution		
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(2) In addition to the aforementioned items, other matters not approved by the Audit Committee but approved by more than two-thirds of the entire Board of Directors are: None.

2. The independent director's recusal of a proposal with a conflict of interest should include the independent director's name, proposal content, reason for recusal, and voting participation: None.

3. Communication between independent directors and the internal audit director and accountants (including major matters, methods and results of communication on the Company's financial and business conditions, etc.):

(1) The Company's audit director regularly communicates with the Audit Committee on audit business reports, and communicates with the members on the results of the audit reports and the implementation of follow-up reports. If there are special circumstances, they will also report to the Audit Committee members immediately. The communication has been smooth.

The communication between the Company's Audit Committee and the audit supervisor in 2024 was as follows, and the independent directors have no opinions.

Date of meeting	Communication matters	Communication results
2024/03/15	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication from December 2023 to February 2024.</li> <li>Statement of Internal Control System of the Company for 2023.</li> </ul>	No objection
2024/05/10	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication from March 2024 to April 2024.</li> </ul>	No objection
2024/06/11	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication in May 2024.</li> <li>The "Internal Control System Statement" used by the Company to apply for OTC listing.</li> </ul>	No objection
2024/08/09	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication from June 2024 to July 2024.</li> </ul>	No objection
2024/10/03	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication from August 2024 to September 2024.</li> </ul>	No objection
2024/11/08	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication in October 2024.</li> <li>Incorporate sustainable information management into the internal control system.</li> </ul>	No objection
2024/12/24	<ul style="list-style-type: none"> <li>Internal audit business implementation report and communication in November 2024.</li> <li>The Company's 2025 annual audit plan.</li> </ul>	No objection

(2) The Company's CPAs report the results of the audit or review of the quarterly financial statements at each quarterly audit committee meeting, report on the application of new accounting principles and other communication matters required by laws and regulations. If there are any special circumstances, they will be reported to the Audit Committee members immediately, and the communication has been smooth.

The communication between the Company's Audit Committee and the CPAs in 2024 was as follows, and the independent directors have no opinions.

Date of meeting	Communication matters	Communication results
2024/03/15	<ul style="list-style-type: none"> <li>The CPAs explained the findings and results of the audit of the 2023 consolidated and standalone financial reports and communicated the key audit matters.</li> <li>Respond to and discuss questions raised by the attendees.</li> </ul>	No objection
2024/05/10	<ul style="list-style-type: none"> <li>The CPAs explained the status of the review of the consolidated financial statements for the first quarter of 2024.</li> <li>Respond to and discuss questions raised by the attendees.</li> </ul>	No objection
2024/08/09	<ul style="list-style-type: none"> <li>The CPAs explained the status of the review of the consolidated financial statements for the second quarter of 2024.</li> <li>Respond to and discuss questions raised by the attendees.</li> </ul>	No objection



(III) Corporate governance operations and differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the corporate governance best practice principles for TWSE/TPEX listed companies?	✓		In order to establish a good corporate governance system, the Company referred to the “Corporate Governance Best Practice Principles for Listed Companies” and the Board of Directors approved the formulation of the “Corporate Governance Best Practice Principles” on December 19, 2023, which was then approved by the shareholders' meeting on February 21, 2024. The Company's “Corporate Governance Best Practice Principles” has been disclosed on the MOPS and the Company's website.	No significant difference.
II. Equity structure and shareholders' equity of the Company				
(I) Does the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures?	✓		The Company has established spokesperson and acting spokesperson in accordance with the “Corporate Governance Best Practice Principles”, and has also set up investor hotlines and email addresses to handle shareholder suggestions or disputes and other related matters. If legal issues are involved, professional lawyers or relevant personnel will be hired to handle them. At present, the Company has not yet encountered any disputes.	No significant difference.
(II) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders?	✓		The Company fully understands and controls the structure of major shareholders through its stock agency and regularly reports changes in the shareholdings of directors and managers. In addition, the Company shall disclose the names, shareholding amount and proportion of major shareholders, etc. of shareholders with a shareholding ratio of 5% or more in each quarterly financial report in accordance with regulations.	No significant difference.
(III) Does the Company establish and implement risk control and firewall mechanisms between itself and its affiliates?	✓		The risk control and firewall mechanism between the Company and its affiliates are as follows: 1. The Company has established “Regulations Governing the Supervision and Management of Subsidiaries” in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to implement a risk control mechanism for subsidiaries. 2. Related party transactions have been disclosed in the annual financial statements, and have been approved by the Audit Committee and submitted to the Board of Directors for approval.	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			3. The Company has also established “Management of Related Party Transactions” and “Rules Governing Financial and Business Matters Between the Company and its Related Parties” to regulate that major transactions should be submitted to the Board of Directors for approval and submitted to the shareholders' meeting for approval or reporting, in order to improve financial and business dealings with related parties and prevent irregular transactions and improper transfer of benefits among related parties.	
(IV) Does the Company have internal rules prohibiting company insiders from using undisclosed information in the market to buy or sell securities?	✓		<ol style="list-style-type: none"> <li>1. The Company's Board of Directors has passed a resolution to establish the “Integrity Management Code”, “Integrity Management Operating Procedures and Behavior Guidelines” and “Major Information Processing and Prevention of Insider Trading Processing Procedures” to regulate the Company's directors, managers and all employees to avoid conflicts of interest related to their duties, and to prevent the disclosure of undisclosed information to others based on their professional or control relationships, in order to prevent possible insider trading.</li> <li>2. The Company has established in its “Corporate Governance Best Practice Principles” relevant regulations that insiders are not allowed to trade their stocks during the closed period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report, in order to further prevent the situation where insiders of the Company use undisclosed information in the market to buy and sell securities.</li> <li>3. For new insiders, the Company provides them with regulations on insider trading, short-term trading and changes in insider equity to ensure that insiders understand the relevant laws and regulations.</li> <li>4. The Company regularly reports changes in shareholdings to the Company through insiders and publicizes relevant information.</li> <li>5. After the date of the Board meeting for the approval of the financial report is determined each quarter, the Company's corporate governance unit will immediately notify insiders of the closed period during which they</li> </ol>	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			are not allowed to trade stocks, and remind insiders again before the start of the closed period to avoid accidentally violating the regulations.	
<b>III. The composition and duties of the Board of Directors</b>				
(I) Does the Board of Directors formulate diversity policies, specific management objectives and implement them?	✓		<p>The Company has established policies and specific management objectives for diversity of Board members.</p> <p>On December 19, 2023, the Board of Directors approved the formulation of the Company's "Corporate Governance Best Practice Principle", which was also approved by the shareholders' extraordinary meeting on February 21, 2024. The Board of Directors of the Company approved the establishment of the "Regulations Governing the Election of Directors" on April 10, 2023, and the resolution was passed by the shareholders' meeting on May 19, 2023.</p> <p>The Company has established a policy of diversity in accordance with Article 20 of the "Corporate Governance Best Practice Principles" and Article 3 of the "Regulations Governing the Election of Directors", including but not limited to the following two major standards:</p> <ol style="list-style-type: none"> <li>1. Basic conditions and values: gender, age, nationality and culture, etc.</li> <li>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.</li> </ol> <p>Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. The overall abilities they should possess include: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspectives, leadership, and decision making.</p> <p>All members of the Company's Board of Directors are Taiwanese nationals, with 2 members aged 41-50 (accounting for 22.22% of the total seats), 4 members aged 51-60 (accounting for 44.44% of the total seats) and 3 members aged 61-70 (accounting for 33.33% of the total seats). In order to promote gender equality in the composition of the Board of Directors, there are currently 2 female directors on the Board, accounting for 22.22% of the total seats. The Company takes into account the diversity of</p>	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			aspects and all directors have extensive operational judgment and management, crisis management, leadership and decision-making capabilities, and an international perspective. Among the Board members, director Kuo, Tsung-Lin holds a Taiwan accountant certificate, and independent director Sun, Hsin holds Taiwan and U.S. lawyer certificates. For the composition of the Board of Directors, the diversification policy, the management goals, and the implementation status, please refer to P.24-26 of this annual report.	
(II) In addition to establishing the Remuneration Committee and Audit Committee, has the Company established other functional committees at its own discretion?	✓		<p>In addition to the Remuneration and Nomination Committee and Audit Committee established in accordance with the law, the Board of Directors of the Company approved the voluntary establishment of a “Sustainability Development Committee” on March 15, 2024. The committee has a total of 4 members, including 1 director, 2 independent directors and 1 manager with the U.S. CFA Sustainability Analyst qualification. The Company hopes that this committee will assist the Board of Directors in implementing sustainable development-related decisions.</p> <p>In addition, in order to strengthen the management mechanism of the Board of Directors, on February 26, 2025, the Board of Directors passed a resolution to expand the authority of the “Remuneration Committee” to include the functions of the “Nomination Committee”, change the Company's “Remuneration Committee” to the “Remuneration and Nomination Committee”, and accordingly amend the Company's “Remuneration Committee Organization Charter” and “Remuneration Committee Operation Management Procedures”.</p> <p>In addition, according to operational needs, the Company has set up a “Strategy Committee” composed of all managers of the Company. It holds 1 to 2 meetings per month to help grasp the Company's operating status and track the progress of project execution, and formulate overall development strategies accordingly.</p>	No significant difference.
(III) Does the Company establish performance evaluation methods for the Board of Directors and conduct performance evaluations regularly	✓		The Company's Board of Directors approved the Company's “Rules for Performance Evaluation of Board of Directors” on September 8, 2023, and revised it on May 10, 2024. According to the regulations, the performance evaluation of the entire Board of Directors, individual Board members and functional committees shall be carried out at least	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
every year? Does the Company submit the results of performance evaluations to the Board of Directors and use them as a reference for individual director remuneration and nomination for re-election?			<p>once a year, and the evaluation shall be carried out by an external professional independent organization or a team of external experts and scholars at least once every three years.</p> <p>The performance evaluation of the Company's overall Board of Directors, individual Board members, and functional committees was conducted through internal questionnaires. In 2024, the average evaluation scores for the overall Board, individual directors, and functional committees all improved compared to the previous year, falling between 5 points ("Excellent") and 4 points ("Very Good"). This indicates a clear enhancement in directors' understanding of the Company's goals, missions, and responsibilities, as well as effective operations of each functional committee. These improvements are expected to significantly strengthen the Board's supervisory role, enhance management functions, and improve the effectiveness and quality of corporate governance.</p> <p>The 2024 evaluation report on the overall Board of Directors, individual directors, and functional committees has been submitted to the Board on February 26, 2025, as a reference for decision making by the Board and its functional committees. It also serves as a basis for nominating director candidates or selecting members for functional committees.</p> <p>The Company plans to have the Board of Directors' performance evaluation performed by external professional independent institutions or external expert teams in the second half of 2025.</p> <p>For the Company's Board of Directors' performance evaluation methods and descriptions, please refer to P.40-42 of this annual report.</p>	
(IV) Does the Company regularly assess the independence of the CPAs?	✓		<p>Pursuant to Article 29 of the Company's "Corporate Governance Best Practice Principles", the Company shall evaluate the independence and suitability of the CPAs appointed by the Company regularly (at least once a year) according to the audit quality index (AQI).</p> <p>The Company evaluates the suitability and independence of CPAs through the Audit Committee and submits the results to the Board of Directors for evaluation and approval. The Company formulates the CPA evaluation program based on the "Declaration of Independence" provided by the CPAs every year, and in reference</p>	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																						
	Yes	No	Summary																							
			<p>to the CPA Act, the Bulletin of the Code of Professional Ethics for CPAs No. 10 “Integrity, Fairness, Objectivity and Independence” and the Audit Quality Indicators (AQIs). The most recent annual evaluation results were approved by the Audit Committee and the Board of Directors on February 26, 2025. No violation of independence was found, and the rotation of the CPAs was also handled in compliance with relevant regulations. The evaluation items are as follows:</p> <table><tr><th>Assessment items</th><th>Assessment results</th></tr><tr><td>1. There is no direct or material indirect financial interest relationship between the CPAs and the Company.</td><td>■Yes□No</td></tr><tr><td>2. The CPA has no financing or guarantee arrangement with the Company or its directors.</td><td>■Yes□No</td></tr><tr><td>3. There is no potential employment relationship between the CPAs and the Company when conducting the audit.</td><td>■Yes□No</td></tr><tr><td>4. The CPAs and members of the audit service team have not served as director, supervisor, manager, or position that has significant influence on the audit case in the current period or in the last two years.</td><td>■Yes□No</td></tr><tr><td>5. The non-audit services provided by the CPAs to the Company do not have any significant items that directly affect the audit case.</td><td>■Yes□No</td></tr><tr><td>6. The CPAs have not been providing the Company with audit services for seven consecutive years.</td><td>■Yes□No</td></tr><tr><td>7. The CPAs does not represent or represent any shares or other securities issued by the Company.</td><td>■Yes□No</td></tr><tr><td>8. The CPAs and audit service team members have no family relationship with the directors, supervisors, managers or persons with significant influence on the audit cases of the Company.</td><td>■Yes□No</td></tr><tr><td>9. Whether the CPAs has complied with the independence requirements of the Bulletin of the Code of Professional Ethics for Accountants No. 10 and obtained the “Declaration of Independence”.</td><td>■Yes□No</td></tr><tr><td>10. The CPAs has not accepted any gifts or special benefits of significant value from the Company or its directors, supervisors, managers or major</td><td>■Yes□No</td></tr></table>	Assessment items	Assessment results	1. There is no direct or material indirect financial interest relationship between the CPAs and the Company.	■Yes□No	2. The CPA has no financing or guarantee arrangement with the Company or its directors.	■Yes□No	3. There is no potential employment relationship between the CPAs and the Company when conducting the audit.	■Yes□No	4. The CPAs and members of the audit service team have not served as director, supervisor, manager, or position that has significant influence on the audit case in the current period or in the last two years.	■Yes□No	5. The non-audit services provided by the CPAs to the Company do not have any significant items that directly affect the audit case.	■Yes□No	6. The CPAs have not been providing the Company with audit services for seven consecutive years.	■Yes□No	7. The CPAs does not represent or represent any shares or other securities issued by the Company.	■Yes□No	8. The CPAs and audit service team members have no family relationship with the directors, supervisors, managers or persons with significant influence on the audit cases of the Company.	■Yes□No	9. Whether the CPAs has complied with the independence requirements of the Bulletin of the Code of Professional Ethics for Accountants No. 10 and obtained the “Declaration of Independence”.	■Yes□No	10. The CPAs has not accepted any gifts or special benefits of significant value from the Company or its directors, supervisors, managers or major	■Yes□No	
Assessment items	Assessment results																									
1. There is no direct or material indirect financial interest relationship between the CPAs and the Company.	■Yes□No																									
2. The CPA has no financing or guarantee arrangement with the Company or its directors.	■Yes□No																									
3. There is no potential employment relationship between the CPAs and the Company when conducting the audit.	■Yes□No																									
4. The CPAs and members of the audit service team have not served as director, supervisor, manager, or position that has significant influence on the audit case in the current period or in the last two years.	■Yes□No																									
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10. The CPAs has not accepted any gifts or special benefits of significant value from the Company or its directors, supervisors, managers or major	■Yes□No																									

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<div>shareholders.</div> <div>11. The CPAs have completed the Company's financial audits as scheduled. <input checked="" type="checkbox"/>Yes<input type="checkbox"/>No</div> <div>12. The financial audit of each period of the reinvestment company is completed on schedule. <input checked="" type="checkbox"/>Yes<input type="checkbox"/>No</div> <div>13. Provide the Company with financial and tax consulting services from time to time. <input checked="" type="checkbox"/>Yes<input type="checkbox"/>No</div>	
IV. Does the listed company have an appropriate number of qualified corporate governance personnel and designate a corporate governance supervisor to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with information required to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to Board and shareholders meetings in accordance with the law, and preparing minutes of Board and shareholders meetings, etc.)?	✓		<p>The Company's Board of Directors passed a resolution on December 24, 2024 to appoint Manager Lin, Hsin-Hui as the Company's corporate governance director, effective January 1, 2025, and will be primarily responsible for corporate governance-related matters. Manager Lin, Hsin-Hui has more than ten years of experience in financial, accounting and stock affairs management positions in publicly traded companies and meets the qualifications for a corporate governance manager. The scope of authority of the Company's Chief Corporate Governance Officer is as follows:</p> <ul style="list-style-type: none"> <li>• Make recommendations on corporate governance to the Board of Directors or general manager for reference and implementation.</li> <li>• Handling matters relating to Board meetings and shareholders' meetings according to laws.</li> <li>• Producing minutes of Board meetings and shareholders' meetings.</li> <li>• Assist directors to complete registration and various reporting tasks in accordance with regulations.</li> <li>• Assist directors in continuing education and compliance with laws and regulations.</li> <li>• Assist in providing directors with information required to perform their duties.</li> <li>• Examination of qualifications of independent directors.</li> <li>• Handling matters related to the change of directors.</li> <li>• Other matters stipulated in the Company's Articles of Incorporation and laws.</li> </ul> <p>As of the date of publication of in 2024, the following relevant businesses have been carried out:</p> <ol style="list-style-type: none"> <li>1. Assist directors in providing the information they need to carry out their duties so that they can make recommendations on the Company's operations.</li> </ol>	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			<ol style="list-style-type: none"> <li>2. Assist in completing other matters related to corporate governance as stipulated in the Company's Articles of Incorporation and laws.</li> <li>3. Review the release of important information of important resolutions of the Board of Directors to ensure the legality and accuracy of the content of the re-information and to protect the equality of investors' trading information.</li> <li>4. The Board of Directors' agenda shall be prepared and notified to directors seven days in advance, the meeting shall be convened and meeting materials shall be provided. If any topic requires conflict of interest, prior reminders shall be given, and the minutes of the Board of Directors' meeting shall be completed within twenty days after the meeting.</li> <li>5. The 2024 Board of Directors performance evaluation is conducted in accordance with the "Regulations Governing the Board Performance Evaluation" established by the Company.</li> <li>6. Assist in the revision of the "Corporate Governance Best Practice Principles" and the "Procedures for Handling Material Information and Prevention of Insider Trading" to strengthen the corporate governance of the Company.</li> <li>7. Register the date of the shareholders' meeting in advance in accordance with the law, and prepare meeting notices, agenda manuals, annual reports and other materials within the statutory period.</li> <li>8. Understand the relevant regulations on corporate governance and the latest corporate governance evaluation indicators, and make a comprehensive assessment based on the Company's actual operating conditions, plan to improve corporate governance, and guide relevant units to implement it accordingly.</li> <li>9. Assist with insider shareholding reporting.</li> <li>10. After the date for the Board meeting to approve the financial report is determined each quarter, insiders will be notified of the closed period during which they are not allowed to trade stocks, and before the closed</li> </ol>	



Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>period begins, insiders will be reminded again to avoid accidentally violating the regulations. As of the date of publication, the most recent financial report was the 2024 annual financial report discussed and approved by the Board of Directors on February 26, 2025. In response to this regulation, the Board of Directors notified and reminded insiders on December 31, 2024 and January 23, 2025, respectively, that there would be a closed period of thirty days before the announcement of the 2024 annual financial report that no trading is allowed.</p> <p>The Company's chief corporate governance officer has taken office on January 1, 2025, and will complete the training requirements before December 31, 2025 in accordance with regulations.</p>	
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder area on the company website, and appropriately respond to important corporate social responsibility issues of concern to stakeholders?	✓		<p>The Company has appointed a spokesperson and acting spokesperson, and disclosed the information on the Company's website</p> <p>Set up a stakeholder area to explain the negotiation situation and provide communication channels with relevant counterparties to properly respond to important issues of concern to stakeholders.</p> <p>For the information on stakeholders, please refer to the "Stakeholder Engagement" section in the "Corporate Sustainability" section on the Company's website and the Company's Sustainability Report.</p> <p>The results of the stakeholder consultation shall be submitted to the Board of Directors regularly (at least once a year) together with the sustainability report. The latest stakeholder communication was reported to the Board of Directors on August 9, 2024.</p>	No significant difference.
VI. Does the Company have a professional stock agency appointed to handle shareholders' meeting affairs?	✓		The Company appoints the stock affairs agency department of Hua Nan Securities Co., Ltd. to handle shareholders' meeting affairs.	No significant difference.
VII. Information Disclosure				
(I) Does the Company have a website to disclose financial, business, and corporate governance information?	✓		The Company has a corporate website (www.walruspump.com) to disclose financial and business information and corporate governance information, and is updated from time to time for the reference of investors.	No significant difference.
(II) Does the Company adopt other methods	✓		In addition to recording information disclosure in the annual report and public prospectus in	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
of information disclosure (such as setting up an English website, designating a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, placing corporate briefings on the Company's website, etc.)?			<p>accordance with the law, announcing or reporting on the MOPS designated by the competent authority, and disclosing it on the Company's website,</p> <p>Other information disclosure methods include:</p> <ol style="list-style-type: none"> <li>1. The Company has an English website (www.walruspump.com/en) to disclose the Company's financial information, important business and corporate governance information.</li> <li>2. Implement the spokesperson system.</li> <li>3. Disclose the information of the legal representative briefing and related materials on the company website.</li> </ol>	
(III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its first, second and third quarter financial reports and monthly operating results in advance of the prescribed deadline?		✓	In accordance with Article 36 of the Securities and Exchange Act and other relevant regulations, the Company completed the announcement and filing of the 2024 consolidated and standalone financial reports on March 4, 2025. In addition, the 2024 first, second and third quarter financial reports and the operating conditions of each month were announced and filed before the prescribed deadline.	There are some minor differences, but they still comply with the provisions of the Securities Exchange Act.
VIII. Does the Company have other important information that is helpful in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training, implementation of risk management policies and risk measurement standards, implementation of	✓		<ol style="list-style-type: none"> <li>1. The Company has set up the "Corporate Sustainability" and "Investor" sections on its website.</li> <li>2. Employee rights: The company treats employees with integrity, protects the legal rights of employees in accordance with the Labor Standards Act, and holds labor-management meetings regularly to actively build a bridge of communication with employees.</li> <li>3. Employee care: The Company has set up an employee welfare committee, allocated employee welfare funds in accordance with the law, and paid attention to employee welfare. Employees enjoy a variety of welfare measures, and employee retirement funds are allocated in accordance with regulations, and the labor-employment relationship is harmonious.</li> <li>4. Investor relations: The Company is committed to protecting the interests of shareholders and</li> </ol>	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?			<p>treating all shareholders fairly. In accordance with relevant regulations, the Company will promptly announce important information about the Company's financial, business, corporate governance, etc. on the MOPS. In addition, in order to ensure that shareholders have the right to fully know, participate in and decide on major matters of the Company, the Company has a spokesperson and acting spokesperson, and has dedicated personnel to handle shareholder suggestions, doubts and disputes.</p> <p>5. Supplier relations: The Company has a good supply chain relationship with its suppliers to optimize the overall production cost.</p> <p>6. Stakeholders' rights: The Company has set up a stakeholder section on its website and provides communication channels to safeguard the rights and interests of stakeholders.</p> <p>7. Directors' further education: Please refer to P.101~102 of this annual report.</p> <p>8. Implementation of risk management policies and risk assessment standards:  In order to implement the Company's risk management mechanism and strengthen corporate governance, and to reasonably ensure the achievement of the company's strategic planning and goals, the Company's "Risk Management Policy and Procedures" was approved by the Audit Committee and the Board of Directors on March 15, 2024 as the highest guiding principle for the Company's risk management.  This policy covers the purpose, scope, organizational structure and responsibilities, management process, etc., to control the risks arising from business activities within an acceptable range to achieve the goal of sustainable development and sound operation.  The Company conducts risk assessment in accordance with the "Risk Management Policies and Procedures" and regularly (at least once a year) reports the implementation of risk management to the Audit Committee and the Board of Directors to ensure that the risk control mechanism can be effectively implemented.  At the same time, through the audit system, we can reasonably ensure that the internal control system continues to be effective. The 2024</p>	

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>annual audit has completed various audit tasks, and the audit results show that the Company's internal control design and implementation are effective.</p> <p>9. Implementation of customer policy: The Company maintains a stable and good relationship with its customers and adheres to a customer-oriented, flexible and agile policy to create profits.</p> <p>10. Liability insurance for directors: In 2024, the Company has purchased liability insurance for directors and key employees, with an insured amount of US\$1 million. The insurance period is from September 1, 2024 to September 1, 2025, in order to disperse the legal liability risks of directors and key managers and enhance the Company's governance capabilities. The proposal has been brought up in the Board of Directors' report on October 3, 2024.</p> <p>11. The Company has formulated a succession plan for Board members and key management and disclosed the implementation status. Please refer to “Succession Plan and Operation Status of Board Members and Key Management” on P.102~105 of this annual report.</p>	
<p>IX. Please explain the improvements that have been made based on the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority improvement items and measures for those that have not yet been improved. (Companies not included in the evaluation are not required to complete this section)</p> <p>The Company was listed on the Taipei Exchange on December 18, 2024, and therefore has not been included in the 2024 corporate governance evaluation, so it is not applicable.</p>				

(IV) If the Company has established a Remuneration Committee, the composition, duties and operation of the committee should be disclosed:

1. The composition, duties and operation of the Remuneration Committee:

On August 30, 2023, the Board of Directors of our company approved the establishment of a Remuneration Committee and the establishment and exercise of powers of the Remuneration Committee of companies whose stocks are listed or traded on securities exchanges in accordance with the “Securities and Exchange Act” and the “Regulations on the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stocks are Listed or Traded on Over-the-Counter Markets” and established its organizational charter and operation management procedures.

In order to strengthen the management mechanism of the Board of Directors, the Company passed a resolution on February 26, 2025 to expand the authority of the "Remuneration Committee" to include the functions of the “Nomination Committee” and change the Company's “Remuneration Committee” to the “Remuneration and Nomination Committee”. The purpose is to assist the Board of Directors to evaluate the remuneration policies and systems of the Company's directors and managers from a professional and objective position, and to propose a list of recommended director candidates to the Board of Directors for reference in its decision making and adoption.

The Company's Remuneration Committee consists of 4 members, all of whom are independent directors. Each committee member meets the professional and independent qualification requirements stipulated by laws and regulations. For their professional qualifications and experience, please refer to “Information on Directors and Independent Directors” on P.9 to 13 and “Disclosure of Directors’ Professional Qualifications and Independence of Independent Directors” on P.15 to 23 of this annual report.

The scope of duties of the Company's Remuneration and Nomination Committee is defined as follows in accordance with Article 7 of the Company's “Compensation and Nomination Committee Organization Charter”:

- Regular review of the organizational rules and regulations and make recommendations for amendment.
  - Establish and regularly review the performance evaluation standards, annual and long-term performance goals, and salary and remuneration policies, systems, standards and structures for the Company's directors and managers, and disclose the contents of the performance evaluation standards in the annual report.
  - Regularly evaluate the achievement of performance targets for the Company's directors and managers, and determine the content and amount of their individual remuneration based on the evaluation results obtained in accordance with the performance evaluation standards. The annual report should disclose the performance evaluation results of directors and managers, as well as the relevance and rationality of the content and amount of remuneration to the performance evaluation results.
  - A list of recommended candidates for nomination as directors.
  - Establish and regularly review directors’ continuing education plans.
  - Review the performance evaluation of the entire Board, individual directors and functional committee members.
- (1) The important review matters of the 2024 remuneration and nomination committee meeting include the following:
- Annual employee remuneration and directors and supervisors’ remuneration distribution.

- Review of the distribution of performance bonuses to managers from the fourth quarter of 2023 to the fourth quarter of 2024.
- Promotion of managerial officers for review.
- Review of the cash capital increase and share subscription by the managerial officers.
- Review of the distribution of 2024 year-end bonus to managerial officers.
- Review of the adjustment to the allocation rate of managers' remuneration.
- Review of the reappointment of the head of corporate governance.

(2) Remuneration and Nomination Committee Members' Information

December 31, 2024

Name \ Condition		Professional qualification and experience	Independence	Number of companies concurrently serving as members of the Remuneration Committee of other publicly traded companies
Independent Director (Convener)	Da-Pai Shen	For the professional qualifications and experience, please refer to “Information on Directors and Independent Directors” on P.9 to 13 and “Disclosure of Professional Qualifications of Directors and Independence of Independent Directors” on P.15 to 23 of this annual report.	The independent directors have met the qualification requirements set forth in the “Regulations on the Establishment and Compliance of Independent Directors of Public Companies” promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years prior to their election and during their term of office. In addition, the independent directors have been granted the power to fully participate in decision making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and have independently performed their relevant duties accordingly.	3
Independent Director	Chih-Min Fang			3
Independent Director	Ming-Hong Hsieh			0
Independent Director	Hsin Sun			1

(3) Remuneration and Nomination Committee's Operation Information

The Company's Remuneration Committee consists of 4 members.

The term of office for the current members: from August 30, 2023 to August 29, 2026. In the most recent year, the Remuneration Committee held 7 meetings (A) in 2024. The attendance of the members was as follows:

Title	Name	Actual attendance (number of attendance) (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Note
Independent Director (Convener)	Da-Pai Shen	7	0	100%	-
Independent Director	Chih-Min Fang	6	1	86%	-
Independent Director	Ming-Hong Hsieh	7	0	100%	-
Independent Director	Hsin Sun	5	2	71%	-

Other matters to be recorded:

1. If the Board of Directors does not adopt or amend the Remuneration Committee's recommendation, it shall state the date, period, content of the proposal, the result of the Board of Directors' resolution, and the Company's handling of the Remuneration Committee's opinion (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's recommendation, the difference and reasons shall be stated): None.
2. If a member objects to or reserves an opinion on a resolution of the Remuneration Committee and there is a record or written statement, the date, term, content of the resolution, opinions of all members, and the handling of the opinions of the members shall be stated: None.
3. Discussions and decisions of the Remuneration and Nomination Committee and the Company's handling of members' opinions:

Period Date of meeting	Proposal content	Resolution outcome	Contents of independent directors' objections, reservations or major suggestions	The Company's handling of the opinions of the remuneration and nomination committee
1st meeting in 2024 2024.03.15	1. The Company's "2023 employee compensation and director compensation distribution" proposal. 2. The Company's "2023 fourth quarter performance bonus distribution to managers" proposal. 3. The Company's "Appointment of Corporate Governance Director" proposal.	All present members passed the proposal without objection	None	Submit to the Board of Directors for voting and approved by all directors present
2nd meeting in 2024 2024.05.10	The Company's "2024 first quarter performance bonus distribution to managers"	All present members passed the	None	Submit to the Board of Directors for

	proposal.	proposal without objection		voting and approved by all directors present
3rd meeting in 2024 2024.06.11	<ol style="list-style-type: none"> <li>1. The Company's "2023 Employee Remuneration Distribution" proposal.</li> <li>2. The Company's "2023 Directors' Remuneration Distribution" proposal.</li> <li>3. Proposal for "Promotion of managers" of the Company</li> </ol>	All present members passed the proposal without objection	None	Submit to the Board of Directors for voting and approved by all directors present
4th session in 2024 2024.08.09	The Company's "2024 second quarter performance bonus distribution to managers" proposal.	All present members passed the proposal without objection	None	Submit to the Board of Directors for voting and approved by all directors present
5th session in 2024 2024.10.03	<ol style="list-style-type: none"> <li>1. The Company's "Manager's Cash Capital Increase and Stock Subscription" proposal.</li> <li>2. The Company's "Corporate Governance Director's Lifting of Non-Competition Agreement" proposal.</li> </ol>	All present members passed the proposal without objection	None	Submit to the Board of Directors for voting and approved by all directors present
6th meeting in 2024 2024.11.08	The Company's "2024 third quarter performance bonus distribution to managers" proposal.	All present members passed the proposal without objection	None	Submit to the Board of Directors for voting and approved by all directors present
7th meeting in 2024 2024.12.24	<ol style="list-style-type: none"> <li>1. The Company's "2024 Year-end Bonus Distribution for Managers" proposal.</li> <li>2. The Company's "Managerial Officers Remuneration Distribution and Contribution Rate Adjustment" proposal.</li> <li>3. The Company's "Organizational Structure Adjustment" proposal.</li> <li>4. The Company's "Change of Corporate Governance Officer" proposal.</li> </ol>	All present members passed the proposal without objection	None	Submit to the Board of Directors for voting and approved by all directors present



2. The composition, duties and operation of the Sustainable Development Committee:

In order to implement the concept of sustainable management and improve the Company's management system in the three major areas of environmental protection, social responsibility and corporate governance to achieve the goal of sustainable development, the Company's Board of Directors passed a resolution on March 15, 2024 to establish a “Sustainable Development Committee” and formulated the “Sustainable Development Committee Organization Charter”. The committee is a functional committee under the Board of Directors, and the Board of Directors is responsible for supervising the Company's formulation of sustainable development strategic goals and management policies.

The Sustainable Development Committee has a total of 4 members, including 1 director, 2 independent directors and 1 manager with the US CFA Sustainability Investment Analyst qualification. It is hoped that the committee will assist the Board of Directors in implementing sustainable development-related decisions and strengthen the Board's functions and management mechanisms.

In accordance with Article 4 of the “Sustainability Committee Organization Charter”, the Company's Sustainability Development Committee consists of a Chairman, an executive secretary, and an ESG task force. The Chairman is Director Huang, Ching-Yun, the convener of the Sustainability Development Committee, and the executive secretary is Team Leader Cheng of the Management Department. The ESG task force is composed of 18 departments based on the three major categories of E (environment), S (society), and G (governance).

The Company's sustainable development-related operations are carried out by the ESG task force led by the chairman, committee member Sun, Kuo-Hua and executive secretary. They manage the major sustainable development themes identified by the Company, set short, medium and long-term goals and implement them. The Sustainability Committee shall hold meetings at least twice a year and report to the Board of Directors on the progress of sustainable development at least once a year.

The main duties of the Sustainable Development Committee are as follows:

- Formulate the Company's sustainable development policies and strategies, and revise them in accordance with relevant regulations.
- Oversee the Company's sustainable development policy direction and promotion plan, and regularly track the implementation progress.
- Review major issues of concern to stakeholders and supervise the establishment of effective communication and response mechanisms with stakeholders.
- Regularly evaluate the effectiveness of the Company's sustainable development plan and report the annual implementation results to the Board of Directors.
- Review of the Sustainability Report.
- Other matters that the Committee is directed to handle as per resolution of the Board of Directors.

(1) The important resolutions of the 2024 Sustainable Development Committee Meeting include the following:

- ESG Sustainability Development Promotion and Progress Report.
- Review of sustainable information management practices.
- 2023 Sustainability Report

(2) Professional qualification and experience of the Sustainable Development Committee:

Title	Name	Possess sustainable professional knowledge and capabilities	Professional ability
Director (Convener)	Huang, Ching-Yun	Possess knowledge and skills in employee rights, occupational health and safety, risk management and improving corporate governance	For professional background and experience information, please refer to P.9-13 of “Information on Directors and Independent Directors” and P.15-23 of

Independent Director	Da-Pai Shen	Possess the knowledge and ability to establish ESG assessment mechanisms and standards, cultivate sustainable talents, conduct cross-sector sustainable professional research, manage risks and improve corporate governance	“Disclosure of Professional Qualifications of Directors and Independence of Independent Directors” of this annual report.
Independent Director	Ming-Hong Hsieh	Possess knowledge and capabilities in brand value and influence, cultivating sustainable talents, risk management and improving corporate governance	
Member	Sun, Kuo-Hwa	Possess professional background in sustainable development, ESG evaluation and analysis and its investment application, as well as the knowledge and skills required to incorporate ESG factors into the investment decision-making process.	For professional background and experience information, please refer to P.28~29 of this annual report “General Manager, Deputy General Manager, Senior Manager and Heads of Various Departments and Branches”. Commissioner Sun Kuo-Hua has obtained the U.S. CFA Sustainable Investment Analyst qualification (according to the Carbon Rights Exchange, CFA data shows that 50,000 professionals worldwide have obtained ESG investment certificates, but there are currently only 150 certified people in Taiwan).

### (3) Operation of the Sustainable Development Committee

The Company's Sustainable Development Committee has 4 members

The term of office of this committee is from March 15, 2024 to August 29, 2026. The Sustainable Development Committee held three meetings in 2024 (A). The attendance of the committee members was as follows:

Title	Name	Actual attendance (number of attendance) (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Note
Director (Convener)	Huang, Ching-Yun	3	0	100%	-
Independent Director	Da-Pai Shen	3	0	100%	-
Independent Director	Ming-Hong Hsieh	0	0	-	Newly appointed on November 8, 2024
Member	Sun, Kuo-Hwa	2	0	67%	-

Other matters to be recorded:

State the meeting date, period, content of the main proposals of the Sustainable Development Committee, the content of the proposals, the content of the proposals or objections of the Sustainable Development Committee members, the resolution results of the Sustainable Development Committee, and the Company's handling of the opinions of the Sustainable Development Committee:

Period Date of meeting	Proposal content	Resolution outcome	Contents of recommendati ons or objections from the Sustainable Development Committee	The Company's handling of the opinions of the Sustainable Developme nt Committee
1st meeting in 2024 2024.05.27	<ul style="list-style-type: none"> <li>• ESG Sustainability Development Promotion and Progress Report.</li> </ul>	All present members passed the proposal without objection	None	The proposal was submitted to the Board of Directors, and all directors attending the meeting approved the proposal unanimously.
2nd meeting in 2024 2024.08.09	<ul style="list-style-type: none"> <li>• ESG Sustainability Development Promotion and Progress Report.</li> <li>• 2023 Sustainability Report</li> </ul>	All present members passed the proposal without objection	None	The proposal was submitted to the Board of Directors, and all directors attending the meeting approved the proposal unanimously.
3rd meeting in 2024 2024.11.08	<ul style="list-style-type: none"> <li>• ESG Sustainability Development Promotion and Progress Report.</li> <li>• Independent Director Hsieh, Ming-Hung was appointed as the member of the Committee</li> <li>• Review of sustainable information management practices</li> </ul>	All present members passed the proposal without objection	None	The proposal was submitted to the Board of Directors, and all directors attending the meeting approved the proposal unanimously.

(V) Implementation of sustainable development and deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (or part-time) unit to promote sustainable development? Has the Board of Directors authorized senior management to handle it, and does the Board of Directors provided supervision?	✓		<p>1. In order to implement the concept of sustainable management and improve the Company's management system in the three major areas of environmental protection, social responsibility and corporate governance to achieve the goal of sustainable development, the Company's Board of Directors passed a resolution on March 15, 2024 to establish a "Sustainable Development Committee" and established the "Sustainable Development Committee Organization Charter". The committee is a functional committee under the Board of Directors, which is responsible for supervising the Company's sustainable development strategy goals and management policies. The committee consists of 4 members, including 1 director, 2 independent directors and 1 manager with the US CFA sustainable investment analyst qualification. It is hoped that the committee will assist the Board of Directors in implementing sustainable development-related decisions and strengthen the Board of Directors' functions and management mechanisms.</p> <p>2. In 2024, the Sustainability and Development Committee reported to the Board of Directors on the Company's sustainable development efforts and the progress of various projects on May 27, 2024, August 9, 2024, and November 8, 2024. After listening to the reports, the Board of Directors supported the committee's implementation and future sustainable development directions.</p> <p>3. The Company's "2023 Sustainability Report" has been approved by the Board of Directors on August 9, 2024, and has been uploaded to the "Corporate Sustainability" section of the Company's website and the MOPS.</p> <p>4. The Company's "2024 Sustainability</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Report” is expected to be announced after being submitted to the Board of Directors for resolution in August 2025. 5. For details, please refer to P.65 of this annual report “Composition, duties and operation of the Sustainable Development Committee”.	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations based on the principle of materiality, and establish relevant risk management policies or strategies?	✓		<p>1. On March 15, 2024, the Company's Audit Committee and the Board of Directors approved the establishment of the Company's “Risk Management Policy and Procedures” to carry out risk assessments on environmental, social and governance issues related to the Company's operations, as well as to establish relevant management strategies and objectives. The Company also reports on risk management status to the Audit Committee and the Board of Directors at least once a year.</p> <p>2. The Company's risk management organizational structure is composed of the Board of Directors, Audit Committee, Risk Management Team and various units and departments. The Risk Management Team is subordinate to the General Manager and designates team members and various units and departments as the execution units for the Company's sustainable development.</p> <p>3. The Company's Audit Committee assists the Board of Directors to supervise the risk management related operation mechanism.</p> <p>4. The risk assessment boundary is based on the Company's Taiwan operating locations from January 1, 2024 to December 31, 2024: the head office (including the Sanzhi plant), Sanchong branch, Taichung branch, Kaohsiung office (including the Luzhu Zhengyi plant), and Nanjing Sanmin office. The Company conducts risk assessments on environmental, social or corporate governance issues related to the Company's operations based on the</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons	
	Yes	No	Summary		
			principle of materiality:		
			Major issues	Risk Assessment Items	Description of risk management policy
			Environmental	Climate change, high product substitutability	1. Actively improve the efficiency of resource utilization and reduce the impact on the environment. 2. The Company continues to be committed to the research and development of energy-saving, environmentally friendly, high-performance, and intelligent technology water pumps, and provide customized products. We offer various customized designs beyond standard product options to meet the basic needs of various industries for pump application head and flow combination, in order to actively differentiate ourselves from competing products in the same industry. 3. Plan internal audit plans to monitor the Company's compliance with relevant environmental laws and regulations, and audit each operating process to ensure compliance with regulations.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			<div>Society</div> <div>Occupational health and safety, customer satisfaction</div> <div>           1. To ensure the safety and health of all employees at work, the Company regularly arranges for first aid personnel, occupational safety and health supervisors, and operators of special equipment to receive general and specific occupational injury prevention education and training.            2. Convene occupational safety meetings regularly as the connection and communication channel for each occupational safety system in various districts.            3. The Company has hired full-time labor health service nurses to promote disease prevention and health promotion, organize health examinations and health lectures, and provide labor health service programs such as occupational disease prevention and occupational hazard expertise.            4. In the future, the Company plans to conduct in-depth sales in various markets and establish local services in order to quickly and effectively understand the needs of local customers. We can also provide customized solutions for the different industries to which local customers belong, achieve one-stop instant services, and enhance service competitiveness and customer satisfaction.            5. Regularly collect market information on competitive products and investigate customer satisfaction as a basis for improving customer satisfaction         </div>	

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<div>Corporate Governance</div> <p>Strengthen the functions of directors, legal compliance, and information security</p> <ol style="list-style-type: none"> <li>1. Plan relevant training topics for directors and provide directors with the latest laws, regulations, system developments and policies every year.</li> <li>2. Directors are insured with directors' liability insurance to protect them from lawsuits or claims.</li> <li>3. By establishing a governance organization and implementing an internal control mechanism, we ensure that all personnel and operations of the Company comply with relevant laws and regulations.</li> <li>4. The Company applies for patents for its products to protect its rights and interests.</li> <li>5. Regularly organize information security education and training and promotion to enhance employees' information security awareness and ensure compliance with information security regulations.</li> <li>6. In order to prevent information systems and files from being infected by computer viruses, detection and prevention measures should be taken for computer viruses, and an active intrusion detection system should be established for intrusions and malicious attacks to ensure the security of computer data.</li> <li>7. In order to prevent the Company from encountering natural disasters or major man-made events that would cause the interruption of important information assets and key business or communication systems, a policy for the sustainable operation of information systems should be established.</li> </ol>	

### III. Environmental Issues



Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(I) Has the Company established an appropriate environmental management system based on its industry characteristics?	✓		<p>1. The Company does not have special pollution sources. In order to maintain a clean environment, our employees are responsible for their respective work areas, and we have hired dedicated personnel to maintain the overall work area and public environment of our employees. We have also stepped up energy-saving and carbon-reduction measures and advocated turning off lights when not in use.</p> <p>2. Please refer to the Company's Sustainability Report and the “Corporate Sustainability” section on the Company's website.</p>	No significant difference.
(II) Is the Company committed to improving the energy utilization efficiency and use of renewable materials with low impact on the environment?	✓		<p>1. The Company promotes green and sustainable products that can be traced from the environment to the design source. Green design elements are introduced from the design source. In the design and development stage, reduction, energy saving, recycling, and hazardous substance management are the four major green design directions of Walrus Pump. Green design techniques are combined with quality processes, and checks and adjustments are carried out at each stage of the design, to reduce the impact of products on the environment at each stage of the life cycle, provide customers with better green products, and establish the sustainable value of products.</p> <p>2. Please refer to the Company's Sustainability Report and the “Corporate Sustainability” section on the Company's website.</p>	No significant difference.
(III) Does the Company assess the potential risks and opportunities of climate change to the present and future of the business, and take related countermeasures?	✓		<p>1. Since 2022, the Company has comprehensively inventoried the energy usage within all organizations, including electricity usage in factories and offices, oil usage in vehicles and forklifts, and sporadic gas usage. In 2024, the total energy usage of all Taiwan operating locations: the head office (including the Sanzhi plant), Sanchong branch,</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>Taichung branch, Kaohsiung office (including the Luzhu Zhengyi plant), and Nanjing Sanmin office was 12,798.645 megajoules (GJ). If operating income is used as the calculation basis for energy consumption per unit of output (energy intensity), the energy consumed per NTD million of revenue in 2024 was 8.349 megajoules (GJ), a decrease of 0.36% compared to 8.75 megajoules (GJ) per NTD million of revenue in 2023. We will continue to track energy usage and implement various measures to support long-term planning for production capacity expansion.</p> <p>2. In 2023, we began by replacing the lighting at our Kaohsiung Zhengyi Plant with LED fixtures. Going forward, we will continue to implement energy-saving and carbon-reduction measures across our operations, such as upgrading air conditioning and compressed air systems, and introducing variable frequency systems for HVAC and compressors. By the end of 2024, the solar power equipment installed at the Kaohsiung Luzhu Huanqiu plant is expected to be operational in September 2025, with an estimated output of 3.60 terajoules (GJ) of green energy. It is anticipated that renewable energy will help reduce energy consumption per unit of production in the future, thereby enabling more efficient allocation and utilization of energy resources.</p> <p>3. Note: The above 2024 data are statistics as of the annual report publication date of March 31, 2025. However, the Company's sustainability report is still under preparation and is expected to be finalized in April 2025 and submitted to a third party for verification. Therefore, regarding the above 2024 data, please refer to the 2024 sustainability report issued by the Company.</p>	
(IV) Does the Company	✓		1. In 2022, the Company independently	No

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
compile statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water reduction or other waste management?			<p>conducted an inventory of greenhouse gas emissions at all of its operating locations in Taiwan in accordance with ISO 14064-1. We are currently gradually expanding the scope of the inventory and plan to introduce third-party verification units for verification in 2027. In 2024, the total greenhouse gas emission (Category 1 to 6) from all our Taiwan operating locations: the head office (including the Sanzhi plant), Sanchong branch, Taichung branch, Kaohsiung office (including the Luzhu Zhengyi plant), and Nanjing Sanmin office was 1,942.56 (tCO<sub>2</sub>e), a slight increase from the total emissions of 1,781.105 (tCO<sub>2</sub>e) in 2023. Category 1 (direct emission sources) recorded emissions of 326.11 tCO<sub>2</sub>e in 2024, accounting for 16.79% of total emissions (compared to 300.068 tCO<sub>2</sub>e or 16.85% in 2023). Category 2 (purchased electricity), which forms the majority of emissions due to the Company's water pump production process primarily relying on electricity as its main energy source, emitted 1,226.62 tCO<sub>2</sub>e in 2024, representing approximately 63.14% of total emissions (compared to 1,113.733 tCO<sub>2</sub>e or 62.53% in 2023). Categories 3 and 4 (e.g., employee commuting, upstream electricity emissions) recorded 389.83 tCO<sub>2</sub>e in 2024, accounting for approximately 20.07% of total emissions (compared to 367.304 tCO<sub>2</sub>e or 20.62% in 2023).</p> <p>The total amount of greenhouse gas emissions increased in 2024 compared to 2023, mainly due to the addition of a new inspection base in 2024 (Nanjing Sanmin Office) and the increase in employees in 2024 (the number of employees increased by 14% compared to 2023) in response to the expansion of the Company's production capacity. The Company plans to complete its internal</p>	significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>greenhouse gas inventory and audit plan in 2025. The Company is currently launching its greenhouse gas reduction plan for the next year. Through a combination of process optimization, equipment upgrades, and other strategies, it aims to continuously reduce both greenhouse gas emissions and energy resource consumption. Additionally, the Company's solar power facility at the Huanqiu plant is scheduled to begin operations in September 2025 and is expected to generate over 1,000 kWh of electricity annually to support future carbon reduction goals. The company has set a goal to reduce organizational greenhouse gas emissions by 20% by 2025, achieve a 50% greenhouse gas reduction by 2030, and move towards the long-term net zero goal of 2050.</p> <p>2. The water pump manufacturing of Walrus Pump involves straightforward mechanical assembly, and the resulting waste is primarily categorized into three types: raw material packaging, CNC cutting oil, and general employee waste. In 2024, the total amount of waste generated across all Taiwan operational sites, including the head office (with Sanzhi Plant), Sanchong Branch, Taichung Branch, Kaohsiung Office (with Luzhu Zhengyi Plant), and Nanjing Sanmin Office was 26.57 metric tons. All of them are non-hazardous waste (including general waste), which is a decrease of 20.63% compared to the total amount of waste generated in 2023, which was 33.48 metric tons.</p> <p>3. The Company's water consumption is all for employees' daily living. The daily sewage treatment volume is approximately 0.01 million liters. In addition, no water resources are consumed in production and manufacturing. Therefore, the overall</p>	

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>water use standards of the Environmental Protection Bureau have not been met. After evaluation, the impact on the surrounding environment is not significant. When draining water, we work with a third-party water supplier nearby for drainage and treatment. In 2024, the total water consumption of all our Taiwan operating locations: the head office (including the Sanzhi plant), Sanchong branch, Taichung branch, Kaohsiung office (including the Luzhu Zhengyi plant), and Nanjing Sanmin office was 8.6 million liters, with an average daily per capita water consumption of 77.82 liters. Compared to 2023, the total water consumption was 6.05 million liters, with an average daily per capita water consumption of 61.421 liters. The increase in water consumption was mainly due to the addition of the Nanjing Sanmin office in 2024 and the increase in the number of employees.</p> <p>4. The total weight of waste and water consumption is not significant to the Company. However, if waste is not properly handled, it will still cause environmental pollution and harm. Therefore, the Company entrusts qualified manufacturers to carry out off-site recycling and incineration. In order to prevent illegal dumping by waste removal companies, the Company's management department still closely monitors the waste transportation process and requires a legal disposal certificate from an authorized waste treatment plant as proof of proper disposal. No illegal waste removal incidents occurred in 2024. In addition, the Company's water consumption is all for employees' daily living, and no water resources are consumed in production and manufacturing. Therefore, it does not meet the Environmental Protection Bureau's water use standards for listed</p>	

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>businesses. However, the Company still sets management goals for water consumption, with the goal of not exceeding one third of the average daily living water consumption per person announced by the Ministry of Economic Affairs' Water Resources Agency each year in the future.</p> <p>5. Note: The above 2024 data are statistics as of the annual report publication date of March 31, 2025. However, the Company's sustainability report is still under preparation and is expected to be finalized in April 2025 and submitted to a third party for verification. Therefore, regarding the above 2024 data, please refer to the 2024 sustainability report issued by the Company.</p>	
<b>IV. Social issues</b>				
(I) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Company complies with relevant labor laws to protect the legal rights and interests of employees. It adopts a two-way communication approach in policy promotion and employee management so that employees can fully understand the Company's business philosophy and opinions between employees and management can be fully and effectively communicated.	No significant difference.
(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflect operating performance or results in employee remuneration?	✓		<p>The Company values the treatment and welfare of its employees, and actively cultivates talents, implements labor laws, protects the rights and interests of employees, and has established and implemented reasonable employee welfare measures, including salary, vacation and other benefits, and appropriately reflects operating performance in employee remuneration:</p> <p>1. The Board of Directors has established a Remuneration and Nomination Committee to formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers, and to regularly evaluate</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>and formulate the remuneration of directors and managers.</p> <p>2. Verification and evaluation: The evaluation results will be used as the basis for salary increases, bonus issuance and remuneration payment.</p> <p>3. Bonus distribution: Link bonuses to the Company's operating performance, annual net profit and employee evaluation.</p> <p>4. The Company continues to promote workplace diversity and equal opportunities for advancement, without discrimination based on gender, race, age, skin color, nationality, religion, marital status, sexual orientation, physical or mental disabilities, or any other grounds. This ensures equal pay and promotion opportunities across all genders and ethnic groups. Through internal training and career planning, the Company supports the development of all employees. As of the date of this annual report's publication (March 31, 2025), female accounted for 37.5% of the Company's total workforce (171 female employees out of 456 employees, and 285 male employees), and female supervisors made up 20.9% of managerial positions (9 female managers out of 43 managers at the assistant manager level and above, and 34 male managers), demonstrating the Company's active efforts in empowering women and fostering a gender-inclusive workplace.</p> <p>5. The Company regularly conducts employee satisfaction surveys. In 2024, company-wide surveys were conducted in June and November. The response rate grew by 27%, with an increase of 125 participants, and the average score improved from 3.5 to 3.6. All aspects showed improvement, with the most significant gains seen in compensation, corporate identity, and overall</p>	

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>satisfaction, indicating that the Company's various efforts to enhance employee welfare have been effective. Recognizing employees as key assets, the Company will continue to implement additional welfare initiatives. On February 26, 2025, the Board of Directors approved the issuance of new restricted employee shares, which has been submitted for discussion at the 2025 Annual General Meeting. Additionally, the Company is planning to establish an employee stock ownership trust to further incentivize employees and retain top talent, thereby enhancing the overall employee benefits system.</p> <p>6. Other measures to enhance employee welfare are listed below:</p> <ul style="list-style-type: none"> <li>• Annual salary increase.</li> <li>• Employee share subscription.</li> <li>• Three festivals, gifts and other bonuses: Dragon Boat Festival gift, Mid-Autumn Festival gift, year-end bonus, wedding gift, birth gift, children's wedding gift, death condolence money, hospitalization condolence money, performance bonus, achievement bonus and special project bonus.</li> <li>• Employee welfare funds: Labor Day gift, birthday gift, wedding gift, childbirth gift, hospitalization condolence money, and death condolence money.</li> <li>• Uniforms are provided to employees.</li> <li>• Employee health examination.</li> <li>• Employee travel, family day, and year-end party.</li> <li>• Advantages over legal leave: Volunteer leave, overseas personnel return leave, vitality leave, happy time leave.</li> <li>• Friendly parking space</li> <li>• Pregnancy package.</li> <li>• Labor-management meetings: Four</li> </ul>	



Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>meetings were held in the South and four in the North.</p> <ul style="list-style-type: none"> <li>One-on-one interviews: In 2024, there were a total of 48 reward and punishment interviews and 11 care and reminder interviews (5 of which were transferred for counseling and improvement).</li> </ul> <p>7. For information on employee benefits, please refer to P.152 “Labor-capital Relations” of this annual report, the Company’s Sustainability Report and the “Corporate Sustainability Development” section of the Company’s official website.</p>	
(III) Does the Company provide employees with a safe and healthy working environment and provide regular safety and health education to employees?	✓		<p>1. The Company has established an “Occupational Safety Engineering Department” as the connection and communication channel for the occupational safety systems in each district. The system covers all regular employees and 23 other contract manufacturers and consultants who are directed and supervised by the workplace manager (15 non-employees engaged in interior decoration, 2 security guards, 2 consultants, and 4 directors). The specific implementation measures of the Occupational Safety Engineering Department are as follows:</p> <ul style="list-style-type: none"> <li>Regular health checkups</li> <li>Factory 6S inspection</li> <li>High and low voltage power equipment testing</li> <li>Fire safety equipment maintenance</li> <li>Fire drills are conducted once in the first and second half of the year in the factory area</li> <li>Protective equipment such as goggles, gloves, and 3M masks are provided according to the station</li> </ul> <p>2. To ensure the safety and health of all employees at work, the Company regularly arranges for first aid personnel, occupational safety and health supervisors, and operators of special</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>equipment to receive general and specific occupational injury prevention education and training. In 2024, a total of 16 internal and external occupational safety courses and drills were held, with a total cumulative time of 174 hours and 212 participants.</p> <p>3. The Occupational Safety Engineering Department holds a regular occupational safety meeting every month to discuss and publicize the incidents or special events that occurred that month, and review the matters that should be paid attention to and improved in the future. If an incident occurs, an investigation report will be attached and announced to all employees at the same time.</p> <p>4. In 2024, there were 8 workplace injury incidents in our company and 8 employee traffic accidents. There were no fire incidents. Most workplace injuries are caused by fingers being crushed or punctured by fixtures. Our company has added baffles to fixtures and improved the operating design of the machines.</p> <p>5. According to the “Occupational Safety and Health Management Regulations”, the Company is an organization that should establish an occupational safety and health management system and is expected to pass ISO 45001 certification by 2027.</p> <p>6. In order to more comprehensively prevent risks related to occupational accidents, the Company has expanded the scope of hazard identification and risk prevention to various routine or non-routine activities, and applies to activities or services performed by our employees, contractors, suppliers, visitors, etc. entering the workplace, as well as facilities provided by organizations or other units in the workplace. The Occupational Safety Engineering Department is currently</p>	

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>developing other proactive measures to prevent and mitigate risks that are directly related to business relationships.</p> <p>7. Walrus Pump has hired full-time plant care personnel since November 2023 to plan and implement employee health management, occupational accident tracking, factory environment hazard identification and risk management, occupational injury and disease prevention, health promotion plans, emergency response plans, and other related matters. The performance in 2024 was as follows:</p> <p>(1)Health examination: Annual check-up at age 65, 2 people in total.</p> <p>(2)Hearing protection: Provide hearing protection gear for special hazardous work units, and provide individualized analysis of the inspection results for two consecutive years to provide hearing protection guidance, a total of 40 people.</p> <p>(3)Women-friendly protection measures: Going beyond the regulations, 13 parking spaces are reserved for pregnant women and pregnancy gift packages are provided, for a total of 6 people.</p> <p>(4)Stress relief seminar: Invite psychological counselors and occupational therapists to teach how to examine your own stress and learn to find the stress relief method and relaxation techniques that suit you. A total of 123 people participated.</p> <p>(5)Blood pressure stations were set up: blood pressure machines are installed in the factory and office areas throughout the province to provide employees with the opportunity to measure their blood pressure on their own and enhance their health awareness.</p> <p>(6)Health promotion: 126 participants took dynamic stretching courses, 203</p>	

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>participants took muscle-inducing exercise courses, and 153 participants took AI coaching classes.</p> <p>(7)Health e-newsletter: one article per month, 12 articles in total.</p> <p>8. Conducted lectures on illegal infringement and sexual harassment in the workplace: a total of 48 first-level cadres received internal training.</p> <p>9. For relevant information, please refer to the Company's Sustainability Report and the "Corporate Sustainability" section on the Company's website.</p>	
(IV) Does the Company have established an effective career development training program for employees?	✓		<p>1. In terms of talent development, Walrus Pump encourages employees to step out of their comfort zone and try various things, maintain an open-minded learning attitude and strive to improve their professional functions. Through substantial on-the-job training, it helps employees build professional knowledge and skills and pursue excellence and innovation together.</p> <p>2. 2024 Training results:</p> <p>(1)New employee training: This training is arranged by the HR department when new employees join the company. Through a series of company introductions, important events, core values, welfare systems, etc., new employees can have a comprehensive understanding of the Company. In 2024, a total of 179 people completed rookie training.</p> <p>(2)Professional functional training: We arrange training courses related to product development, quality management, pump overview, ESG, corporate governance, occupational safety, work stress relief, etc. In 2024, we held 169 education and training courses, totaling 1,418 participants and 4,045 hours, with an average of 23.9 hours. The breakdown for males and females was 14.8 hours and 9.1 hours,</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>respectively. The relative decrease compared to last year was due to the fact that in 2024, in order to increase productivity, sufficient education and training could not be arranged during working hours. Although the training hours were reduced, every new employee still completed a new employee education and training on the day of reporting in order to cultivate concepts such as company culture and systems.</p> <p>(3)Entry-level's Supervisor Training: Arranged department-level managers from various departments to conduct "job coaching and subordinate training" to help them understand the thinking of different generations and learn how to lead new employees from different generations. A total of 38 people participated.</p> <p>3. In the fourth quarter of 2024, the Company introduced the EasyPump Learning Network, integrating learning resources, knowledge management, and company information on the website, making learning and inquiry easier and more digital.</p> <p>4. For relevant information, please refer to the Company's Sustainability Report and the "Corporate Sustainability" section on the Company's website.</p>	
(V) Regarding issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant laws and regulations and international standards, and has established relevant policies and complaint procedures to protect the rights of consumers or customers?	✓		<p>1. During the production process, the Company follows international laws and regulations to ensure the safety of products and services, formulates rights protection policies and provides complaint channels to prevent products and services from directly or indirectly damaging the rights, health and safety of consumers or other stakeholders. After receiving a complaint, the Company will immediately feedback the opinions to the internal department for processing in order to protect the rights and interests of customers.</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>2. The Company purchases product liability insurance every year and files claims for bodily injury or property loss to third parties caused by accidents during the insurance period due to defects in the insured products (including completion liability).</p> <p>3. For relevant information, please refer to the Company's Sustainability Report and the "Corporate Sustainability" section on the Company's website.</p>	
(VI) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and what is its implementation status?	✓		<p>1. To extend its sustainability vision to related industries in water pump manufacturing and to strengthen its sustainable supply chain management mechanisms, the Company has established a Supplier Operating Procedures Manual (including Supplier Management Guidelines and New Supplier Evaluation Procedures). This system encompasses a four-stage supply chain management process: market research, self-assessment, on-site audits and factory visits, and final commitment signing. The Company has set environmental screening criteria for suppliers: material suppliers or OEMs must at least possess ISO 9001 certification. If a supplier is not certified, an on-site audit is required to confirm that there are no risks or that any risks are under effective control before they can qualify as an approved supplier. Suppliers are required to sign a declaration ensuring that all materials, components, and semi-finished products sold to the Company comply with the EU RoHS Directive and REACH regulations. In the event of material changes, suppliers must proactively submit updated Safety Data Sheets (SDS) or other relevant documentation for review. Additionally, suppliers are expected to manage their own operations and those of their upstream and downstream suppliers in accordance with</p>	No significant difference.

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>conflict-free mineral requirements and must sign a Conflict-Free Minerals Declaration. The Company also imposes social screening standards for suppliers: through due diligence, it aims to prevent or mitigate negative social impacts within the supply chain. Suppliers found to have committed serious violations of social standards or safety incidents, such as those with poor reputations, involved in major occupational safety accidents, whose registration has been revoked by the government, or later found to be operating illegally will have their business relationships terminated.</p> <p>2. In 2024, we added 14 new suppliers/contractors, all of which adopted and passed the environmental and social supplier selection standards established by the Company.</p> <p>3. The Company's supplier assessment standards are divided into three major indicators: quality, delivery time, and cooperation. Suppliers that have transactions with the Company are evaluated in accordance with the "Supplier Assessment Operation Standards". Internal assessments and on-site audits are carried out in parallel. For key suppliers that require necessary management, audits are arranged twice a year. As the epidemic situation has eased, the industry status has also stabilized. In 2024, 100% of the suppliers that should be assessed completed internal assessments and on-site inspections. The scores were rated in four levels: A, B, C, and D. The average assessment score reached 82.48 points (Grade B).</p> <p>4. Please refer to the Company's Sustainability Report and the "Corporate Sustainability" section on the Company's website.</p>	
V. Does the Company prepare sustainability reports and	✓		1. The Corporate Sustainability Report issued by the Company contains specific	No significant

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
other reports that disclose the Company's non-financial information by referring to internationally accepted reporting standards or guidelines? Has the above-mentioned report obtained confirmation or assurance from a third-party verification agency?			<p>actions and performance in terms of environment, society and economic governance. This report has been prepared in accordance with the GRI 2021 Standards issued by the Global Reporting Initiative (GRI). In line with the Financial Supervisory Commission's "Corporate Governance 3.0 Sustainable Development Roadmap", the report incorporates the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) indicators for the Industrial Machinery and Goods sector. Verification is scheduled for late May by the British Standards Institution (BSI Taiwan) to ensure compliance with the AA 1000 Assurance Standard v3 (Type 1 Moderate Level Assurance) and the requirements of the GRI 2021 Standards. The materiality assessment and assurance process will be completed, and the verification statement is expected to be obtained by the end of June.</p> <p>2. For the detailed corporate sustainability report, please visit the "Corporate Sustainability" section on official website of the Company (<a href="http://www.walruspump.com">www.walruspump.com</a>).</p>	difference.
<p>VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies", please describe its current practices and any deviations from the Best Practice Principles:</p> <p>The Company has established its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" established by the competent authority, and there is no difference between the actual operation and the provisions of the code.</p>				
<p>VII. Other important information that helps to understand the implementation of sustainable development:</p> <p>Since its establishment, Walrus Pump has taken Taiwan as its root and expanded to the world. It upholds the spirit of giving back and sharing and does its best to give back to the society. As a time-honored water pump brand, we understand the importance of water to human life, work and leisure, and we also understand the key role that water pumps play in water supply systems. Based on the importance we attach to water, the Company focuses on the donation of water alarms in public welfare activities, and provides free home inspection services for water pumps to enhance the precious value that the brand can create. We hope that Walrus Pump will become the best choice wherever water is, making people's lives better and enable cities and the environment to develop sustainably. In addition to creating common prosperity, charity activities also bring about the effect</p>				



Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
<p>of enhancing the recognition and sharing spirit of colleagues. In the future, we will continue to promote charity projects to create long-term and substantial influence.</p> <p>Looking back at 2022, it was the first year of Walrus Pump ESG. We completed the first sustainability report and the first organizational greenhouse gas inventory. In 2023, we won the TCSA Sustainability Report Gold Award, and in 2024 we further won the TCSA Platinum Award. In the future, we will continue to inject new ideas into Taiwan's time-honored water pump brand, and “sustainability” will become the most important keyword for Walrus Pump in the next century. At the same time, we also hope to drive suppliers to grow together. We held our first supplier conference on March 22, 2024, hoping to provide suppliers with ESG development suggestions and work together to build a resilient industry supply chain. Based on our emphasis on water, our charity activities not only create prosperity together, but also enhance the recognition and sharing spirit of our employees. In the future, we will continue to promote charity projects to create long-term and substantial influence.</p> <p>1. Respond to the “Thaw Greenland” public welfare broadcast plan Greenland is the first scene of extreme climate change in the world. We hope to educate the public through our corporate website video and draw more people's attention to environmental issues, thereby promoting more extensive discussions and actions.</p> <p>2. Respond to the national Earth Hour and turn off the lights for one hour Every March, Walrus Pump responds to the Earth Hour event by turning off lights for one hour from south to north. On March 23, 2024 and March 22, 2025, Taipei Plant, Kaohsiung Plant and various administrative units suspended production and all business and administrative work from 8:30 to 9:30 p.m., hoping to cultivate the importance of “energy conservation” among employees and the public through practical actions.</p> <p>3. Newly-built solar power generation system Green operations are a crucial component of Walrus Pump’s sustainable development strategy, with environmental protection, occupational safety and health management at the core of its green operation practices. The Company is committed to improving performance in pollution prevention, waste reduction, energy conservation, and occupational safety and health. Starting in the second half of 2024 and continuing into 2025, the Company invested approximately NT\$54 million in establishing a solar power generation system at its Kaohsiung Haunqiu Plant. The system is scheduled to officially begin operation in September 2025 and is expected to generate over 1,000 kilowatt-hours of electricity annually, serving as a concrete step in the Company’s carbon reduction efforts.</p> <p>4. Product Carbon Footprint Inventory Project In 2024, the Company launched its first product carbon footprint inventory project. The Company attaches great importance to the carbon footprint project and has specially selected and trained outstanding relevant personnel to participate in the carbon footprint training course organized by the British Standards Institution (BSI). We hope that our employees will further complete the product carbon footprint inventory and gradually establish a green product design evaluation mechanism.</p> <p>5. Contribution to the community Walrus Pump’s operations in Taiwan cover Sanzhi District in New Taipei, Luzhu District in Kaohsiung, Daya District in Taichung, Sanchong District in New Taipei, and Songshan District in Taipei. The Company places great importance on community relations and contributes to local communities annually. Since 2018, it has continuously partnered with local fire departments to donate residential fire alarms in order to enhance residential safety. Between</p>				

Promotion Items	Implementation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
2021 and 2023, the Company purchased a total of 9,000 residential fire alarms and donated them to the fire departments of New Taipei City, Taichung City, and Kaohsiung City. These alarms were then distributed by the fire departments to households or organizations in need, contributing to public safety and social welfare. In 2023, in order to thank the firefighters for their hard work, we purchased additional fitness equipment and provided it to our partners at the New Taipei City Fire Department, hoping that it would help the firefighters maintain good physical condition and complete every call safely and healthily. In 2024, we donated a set of underwater rescue equipment (including underwater thruster, hydro-torch, compass, lamp holder, etc.) to the Sanzhi branch of the Rescue Association to maintain good relations and corporate image, and to fulfill our corporate social responsibility. Additionally, to promote community development, the Company hires local talent from the areas where it operates. As of the annual report publication date (March 31, 2025), employees residing in Sanzhi District accounted for 46% of the total workforce at the Sanzhi Plant; those residing in Luzhu District, Kaohsiung, made up 24% of the workforce at the Kaohsiung Plant; employees living in Daya District represented 48% of the staff at the Taichung Branch; those residing in Sanchong District comprised 17% of the Sanchong Branch's workforce; and employees residing in Songshan District accounted for 8% of the staff at the Nanjing Sanmin Office. The Company remains committed to contributing to its surrounding communities, with the goal of strengthening community ties and recognition.				

Climate-related information for listed companies  
Implementation of climate-related information

Item	Implementation Status
1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	In 2022, Walrus Pump referenced the TCFD guidelines and industry-specific recommendations to analyze best practice cases from both domestic and international manufacturers and value chain leaders. Taking into account industry characteristics and its own operational conditions, the company, through its Strategy Committee, ESG Committee (now the Sustainability Development Committee), and three functional task forces identified climate-related risks and opportunities of material significance due to extreme weather challenges currently affecting its Taiwan sites. Based on these findings, the Company proceeded to conduct scenario analysis to quantify the potential risks the organization may face. In 2024, we focused on "carbon fee risk", analyzed its potential financial impact on the Company's operations, strengthened the organization's resilience and adaptation to climate change, and mapped out a blueprint for Walrus Pump's response to climate change.
2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy and finances (short-term, medium-term and long-term).	<p>Short-term:</p> <ul style="list-style-type: none"> <li>• Completed the establishment of internal greenhouse gas management procedures</li> <li>• Continue to expand the scope of the organization-based greenhouse gas inventory project, such as launching overseas base inventory plans and expanding upstream and downstream supply chain inventory.</li> <li>• Conduct scenario and financial impact analysis to strengthen climate change response strategies</li> </ul> <p>Mid-term:</p> <ul style="list-style-type: none"> <li>• Assess the effectiveness of product carbon footprint reduction</li> <li>• Assessment of the scientific basis of reduction targets (SBTi)</li> <li>• Implementing climate risk management into the overall risk management framework</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>• Review and revise climate change response strategies</li> <li>• Achieve 50% reduction in greenhouse gas emissions by 2030</li> <li>• Expand the scope of product carbon footprint inventory</li> <li>• The Company joined the scientific basic reduction target (SBTi) initiative, aiming to achieve the overall carbon neutrality of Walrus Pump by 2050.</li> </ul>
3. Describe the impacts of extreme weather and transformation actions on the financial position.	For major risk opportunity projects, we explore the possible time and potential financial impact on the Company, link the current operating model with future development plans, and establish response measures for each major risk and opportunity.

<p>4. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.</p>	<p>The Company has referenced the TCFD guidelines and industry-specific recommendations to analyze benchmark cases from leading manufacturers and value chain enterprises both domestically and internationally. Taking industry characteristics and the Company's current operational conditions into account, the Strategy Committee, the Sustainability Development Committee, and three functional task forces identified significant climate-related risks and opportunities based on the extreme weather conditions currently faced at its sites in Taiwan. Based on the results, the Company subsequently introduced scenario analysis to quantify the potential risks the organization may encounter. In 2024, we focused on "carbon fee risk", analyzed its potential financial impact on the Company's operations, strengthened the organization's resilience and adaptation to climate change, and mapped out a blueprint for Walrus Pump's response to climate change.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p>	<p>In the face of resilience and major financial impacts of climate change risks, the Company's sustainability report is still under preparation and is expected to be finalized in April 2025 and submitted to a third party for verification. Therefore, regarding the above 2024 data, please refer to the 2024 sustainability report issued by the Company.</p>
<p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.</p>	<p>Plans for managing climate-related transition risks, as well as the indicators and targets for managing both physical and transition risks, are currently under development. As the Company's sustainability report is still being compiled and is expected to be finalized and submitted for third-party assurance in April 2025, the above 2024 data should be referenced based on the officially issued 2024 Sustainability Report.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.</p>	<p>Not yet implemented by the Company.</p>

<p>8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress achieved and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) used should be explained.</p>	<p>In 2022, Walrus Pump independently conducted an inventory of greenhouse gas emissions at all of its operating locations in Taiwan in accordance with ISO 14064-1. The Company is currently gradually expanding the scope of the inventory and plans to introduce third-party verification and certification units in 2027. Category 1 of greenhouse gas emissions in 2024 - direct emission sources (including gas, diesel generators, fuel for official vehicles, various refrigerants and septic tank emissions, etc.) accounted for approximately 16.788%. Since the water pump process in Walrus Pump uses electricity as the main energy source, Category 2 (input electricity) is the largest emission source, accounting for about 63.144%. Emissions from Category 3 and Category 4 (such as employee commuting and upstream electricity) accounted for approximately 20.068% of this year's inventory. In 2024, a new inspection location was added (Nanjing Sanmin office), and plans are underway to complete the internal greenhouse gas inventory and audit program in 2025. The new factory is expected to start using solar power generation at the Huanqiu Plant in September 2025, with an investment of approximately NT\$54 million. It is estimated that it will be able to provide more than 1,000 kWh of electricity per year to meet the Company's future carbon reduction efforts. We are also currently launching a greenhouse gas emissions reduction plan for the next fiscal year. We hope to continue to reduce greenhouse gas emissions and energy resource consumption through a multi-pronged approach such as process optimization and equipment upgrades. We hope to reduce organizational greenhouse gas emissions by 20% by 2025 and move towards the long-term net zero goal of 2050.</p>
<p>9. Greenhouse gas inventory and confirmation status and reduction targets, strategies and specific action plans (fill in 1-1 and 1-2)</p>	<p>1. Walrus Pump is committed to actively managing and responding to the issues and risks of climate change. In addition to following the TCFD framework to build a foundation for climate change response, it also regularly tracks the organization's greenhouse gas emissions as a cornerstone for achieving carbon neutrality by 2050. We will gradually launch product carbon footprint checks in the future. Amid the ever-changing international trends, Walrus Pump will continue to respond prudently to green costs such as carbon taxes and carbon fees, balancing environmental responsibility and economic development.</p> <p>2. Tables 1-1 and 1-2: Not applicable to the Company.</p>

(VI) Implementation of ethical corporate management and any deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Establishing ethical corporate management policy and plans				
(I) Does the Company have the ethical corporate management policy approved by the Board of Directors, and does it clearly state the ethical corporate management policy and practices in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the management policy?	✓		In order to establish a good corporate integrity management governance system, the Company has referred to the “Integrity Management Code for Listed Companies” and on December 19, 2023, the Board of Directors approved the establishment of the Company's “Integrity Management Code” and “Integrity Management Operating Procedures and Behavior Guidelines”. It was approved by the shareholders' meeting on February 21, 2024 and is applicable to the Company's directors, managers, employees and related personnel, and has been disclosed on the Company's website and Market Observation Post System. The Company’s “Ethical Corporate Management Best Practice Principles” clearly stipulate that members of the Board of Directors and the management team must fulfill their duty of care as prudent administrators when conducting business, and must exercise their powers cautiously to implement the commitments of the integrity management policy. The “Procedures for Ethical Management and Guidelines for Conduct” further specify the matters that personnel must observe when executing business to ensure compliance with the integrity policy.	No significant difference.
(II) Has the Company established a dishonest behavior risk assessment mechanism to regularly analyze and assess business activities within its business scope that carry a higher risk of dishonest behavior, and has it formulated a plan to prevent dishonest behavior based on the risk, and has it at least	✓		Both the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” expressly prohibit unethical conduct, including offering or accepting bribes, providing illegal political contributions, making improper charitable donations or sponsorships, offering or receiving inappropriate benefits, providing or promising facilitation payments, disclosing trade secrets, engaging in unfair competition, and harming the	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
covered the preventive measures for each of the behaviors in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?			rights and interests of stakeholders. The Company has implemented preventative measures and conducts regular educational initiatives. It also periodically analyzes and assesses business activities within its scope of operations that present higher risks of unethical conduct. The Company has established comprehensive and effective control mechanisms for business activities and operational procedures deemed to carry such risks through its accounting and internal control systems. Based on the results of risk assessments, an annual audit plan is formulated to reinforce the implementation of the integrity management policy. In addition, in accordance with the “Procedures for Ethical Management and Guidelines for Conduct” and the “Corporate Governance Best Practice Principles,” the Company has established a “Whistleblower Policy for Internal and External Parties”, which was approved by the Board of Directors on December 19, 2023. This policy sets up internal and external reporting channels and handling procedures to effectively enforce the Company’s ethical conduct standards and integrity guidelines, while safeguarding the legitimate rights and interests of whistleblowers and related parties.	
(III) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary measures for violations, and complaint systems in its plan to prevent dishonest behavior, and does it implement them and regularly review and revise the above-mentioned plan?	✓		The Company has set up a plan to prevent dishonest behavior in the “Ethical Corporate Management Best Practice Principles” and “Integrity Management Operating Procedures and Behavior Guidelines”, which include operating procedures and behavioral guidelines, and has established “Employee Reward and Punishment Management Measures” to guide employees' behavior in accordance with ethical standards and establish a good team spirit and corporate culture. The Company promotes the integrity management and ethical standards to all new employees when they take up their posts, and requires them to sign the	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			“Employee Work Code and Letter of Commitment”. In addition, employees at the section level and above and those in the purchasing department are required to sign the “Employee Integrity and Honesty Commitment”. Employees are requested to abide by the regulations. If employees violate the regulations, they will be handled in accordance with the Company's “Employee Reward and Punishment Management Regulations”.	
<b>II. Ethical corporate management in practice</b>				
(I) Does the Company evaluate the integrity records of its trading partners and clearly stipulate the terms of good faith behavior in the contracts signed between it and its trading partners?	✓		The Company has established an evaluation mechanism for suppliers and customers. The rights and obligations of both parties in the contract-making process are detailed and a confidentiality agreement is established.	No significant difference.
(II) Does the Company have a unit that specializes in promoting ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on the implementation of its ethical corporate management policies and the prevention of unethical conduct, and the supervision of the implementation status?	✓		The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and designated the Management Department as the dedicated unit to promote corporate integrity management. It is responsible for formulating and promoting integrity management policies and prevention plans, and regularly (at least once a year) reporting integrity management policies and prevention plans and supervising implementation to the Board of Directors. The implementation status of 2023 and the 2023 Sustainability Report were reported to the Board of Directors on August 9, 2024. The implementation status of 2024 is expected to be submitted to the Board of Directors in August 2025.	No significant difference.
(III) Does the Company have a policy to prevent conflicts of interest, provide appropriate channels of expression, and implement such policy?	✓		The Company's “Rules of Procedure for Board Meetings” stipulate that if a director has an interest in a meeting item for himself or for a legal person he represents, he shall explain the important details of his interest at the current Board meeting. If there is a possibility that it may be detrimental to the interests of the Company, he shall not participate in the	No significant difference.



Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			discussion or vote, and shall recuse himself from the discussion and vote, and shall not exercise the voting rights on behalf of other directors. If a director's spouse, blood relative within the second degree of kinship, or a company with which the director has a controlling subordinate relationship has an interest in the matters discussed at the preceding meeting, the director shall be deemed to have a personal interest in the matters. The Company also has “Ethical Corporate Management Best Practice Principles”, “Integrity Management Operating Procedures and Behavior Guidelines” and “Employee Reward and Punishment Management Measures” for employees to follow. We also have an independent complaint mailbox (Auditor@walrus.com.tw) and mailing address (Audit Office, No. 83-14, Dapiantou, Houcuo Village, Sanzhi District, New Taipei City 252) to accept complaints from employees, suppliers, customers, shareholders and other stakeholders.	
(IV) Has the Company established an effective accounting system and internal control system to implement honest business operations? Has the internal audit unit formulated relevant audit plans based on the results of the assessment of dishonest behavior risks and used them to verify compliance with the plan to prevent dishonest behavior, or has it entrusted a certified public accountant to perform the audit?	✓		The Company has established effective accounting and internal control systems in accordance with the law. The Accounting Department conducts on-site audits with the CPAs firm every quarter and year to ensure that the Company's management complies with relevant laws and regulations and the concept of honest business operations; internal auditors regularly check the compliance of the internal control system in accordance with the law, and through the implementation of self-evaluation operations, ensure the effectiveness of the internal control system, which serves as the basis for issuing an internal control system statement and submitting it to the Board of Directors for approval.	No significant difference.
(V) Does the Company hold regular internal and external education and training on integrity management?	✓		The Company promotes the integrity management and ethical standards to all new employees when they take up their posts, and requires them to sign the “Employee Work Code and Letter of	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			<p>Commitment”. In addition, employees at the section level and above and those in the purchasing department are required to sign the “Employee Integrity and Honesty Commitment” to enable them to understand the Company's integrity management and ethical standards, as well as the relevant complaint channels. In 2024, a total of 179 copies of “Employee Work Rules and Commitments” and 22 copies of “Employee Integrity and Honesty Commitments” were signed.</p> <p>On March 15 and June 11, 2024, the Company invited an external professional organization to conduct educational courses for directors, managers and employees. The content covered topics such as integrity management, insider trading, insider equity, liability for false financial statements, corporate governance and compliance with relevant laws and regulations. There were 3 courses in total, with a total of 123 hours.</p>	
<b>III. Operation of the Company's whistle-blowing system</b>				
(I) Does the Company have a specific reporting and reward system, a convenient reporting channel, and assigns appropriate personnel to handle reports?	✓		<p>On December 19, 2023, the Board of Directors of the Company passed a resolution to establish the “Internal and External Personnel Reporting Procedures” to establish internal and external reporting channels and handling systems within the Company, and to ensure the legitimate rights and interests of reporters and related persons.</p> <p>The Company has designated the Audit Office as a dedicated unit and has set up an independent complaint mailbox (Auditor@walrus.com.tw) and mailing address (Audit Office, No. 83-14, Dapiantou, Houcuo Village, Sanzhi District, New Taipei City 252) to accept complaints from employees, suppliers, customers, shareholders and other stakeholders.</p> <p>It is also clearly stated in the “Employee Integrity and Honesty Commitment” that if you know that other company employees or trading partners have violated this commitment, you should</p>	No significant difference.

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			report it to the Company's internal reporting unit and provide relevant evidence. If the Company verifies that the violation is true and has achieved the effect of eliminating malpractices and promoting benefits, the Company may give rewards depending on the circumstances. The Company did not receive any complaint letters in 2024.	
(II) Does the Company have the standard procedures for investigating reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	✓		The Company has established “Internal and External Personnel Reporting Procedures” to clearly define the procedures for handling reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms. According to the whistleblowing procedures, after the investigation of the report is completed, an investigation report must be issued based on the facts verified and submitted to the Chairman. If the report involves a director or senior executive, or if a major violation is discovered or there is a risk of significant damage to the Company, it should be reported to the Board of Directors.	No significant difference.
(III) Does the Company take measures to protect the whistleblowers from improper treatment due to their whistleblowing?	✓		According to the Company's “Internal and External Personnel Reporting Procedure”, the reporter's identity and the report's content will be kept confidential. The Company will protect the reporter and employees involved in the investigation to avoid unfair retaliation or treatment.	No significant difference.
IV. Enhance Information Disclosure Does the Company disclose its ethical corporate management best practice principles and the effectiveness of its promotion on its website and MOPS?	✓		The Company has disclosed its “Ethical Management Best Practice Principles” and “Integrity Management Operating Procedures and Behavior Guidelines” in the “Investor Zone” and “MOPS” sections of its website and disclosed its promotion status in the “Investor Zone” of its website.	No significant difference.
V. If the Company has its own integrity management code based on the “Integrity Management Code for Listed and OTC Companies”, please describe the differences between its operation and the established code: In order to establish a corporate culture of integrity and to ensure sound management, the Company has formulated our own “Ethical Management Best Practice Principles” after referring to the “Ethical				

Assessment item	Operation Status			The deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
Management Best Practice Principles for TWSE/TPEX Listed Companies” and will operate in accordance with this code without any deviation.				
VI. Other important information that helps to understand the Company's integrity management operations: (such as the Company's review and revision of its established Ethical Management Best Practice Principles, etc.) The Company complies with the Company Act, the Securities and Exchange Act, the Commercial Accounting Law and other laws and regulations related to the commercial industry as the basis for implementing honest business operations. No supervisor or employee of the Company has violated the principle of integrity in 2024.				

(VII) Other important information that may enhance your understanding of corporate governance in action:

1. Other important information that helps to enhance understanding of the Company's corporate governance operations will be immediately announced on the MOPS in accordance with the regulations of the competent authority, and financial, business and corporate governance related information and operations will be disclosed on the Company's website.

2. 2024 directors' training records:

Title/Name	Date of continuing education		Organizer	Course name	Hours of continuing education	Total training hours for the year
	From	to				
Chairman Representative of Invesco Taiwan Ltd.: Huang, Ching-Feng	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	
Director Representative of You Chang Investment Co., Ltd.: Huang, Ching-Yun	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	
Director Representative of Wenhua Investment Co., Ltd.: Shen, Chien-Hua	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	
Director Representative of Jingyu Investment Co., Ltd.: Huang, Chin-Chen	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	

Director Tsung-Lin Kuo	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/08	2024/05/08	Taiwan Investor Relations Institute	ESG evaluation and practical application in the capital markets	3	
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
Independent Director Da-Pai Shen	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	
Independent Director Chih-Min Fang	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	
Independent Director Ming-Hong Hsieh	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	
Independent Director Hsin Sun	2024/03/15	2024/03/15	Taiwan Investor Relations Institute	Workshop for Securities Laws and Regulations	3	9
	2024/05/10	2024/05/10	Taiwan Investor Relations Institute	Analysis of corporate financial information and its application in decision making	3	
	2024/06/11	2024/06/11	Taiwan Corporate Governance Association	Ten compulsory lessons on corporate governance	3	

### 3. The succession plan and operation status of the Board members and key management:

#### (1) Board members

### Succession planning

The election of the Company's directors is conducted in accordance with the "Director Election Procedures" through a candidate nomination system. Additionally, the "Corporate Governance Best Practice Principles" establish a Board diversity policy, placing emphasis on the integrity of Board members and their alignment with the Company's core values. The composition of the Board also takes the Company's long-term strategic development into account, aiming to assemble an optimal mix of directors who can drive operational growth while effectively managing risks from various perspectives, including profitability and risk control.

In addition to having excellent strategic thinking skills, future successor directors (including the chairman) should also have business planning capabilities and professional background or experience in the Company's business. To strengthen Board functions, the Company arranges annual training programs for Board members. These courses cover topics related to corporate governance, such as finance, risk management, business operations, legal affairs, accounting, ESG, internal control systems, and responsibilities related to financial reporting. Each Board member is required to complete at least six hours of continuing education per year. These efforts are designed to support directors in acquiring new knowledge, keeping up with developments, and understanding their roles, functions, responsibilities, and obligations within the Board, thereby facilitating effective implementation of corporate governance practices.

In the future, the Company will continue to strengthen the structure of its Board of Directors and consider the best candidates at the appropriate time to ensure the effective continuation of the Company's business philosophy. At the same time, the Company also evaluates the professional qualifications and diversity of independent directors, considering their work experience in business, legal affairs, finance, accounting or the Company's business, as well as their gender, age and other diverse aspects, and seeks professional talents from outside to further enhance the function of corporate governance. Furthermore, the Company established the "Remuneration and Nomination Committee" on February 26, 2025. Going forward, this committee will be responsible for identifying suitable director candidates in line with the Company's succession planning. It will propose a list of candidates to the Board of Directors and carefully assess each nominee's qualifications and ensure none are subject to the disqualifying conditions listed in Article 30 of the Company Act. Director nominations shall comply with the procedures set forth in Article 192-1 of the Company Act. For independent director candidates, their independence shall also be assessed separately. The results of individual Board member performance evaluations, as determined in accordance with the Company's "Board Performance Evaluation Policy", will also serve as a basis for the selection or nomination of directors.

### Operation Status

The current Board of Directors is composed of key internal management personnel and esteemed professionals from various fields. The Board consists of nine directors, including four independent directors, all of whom are newly appointed in this term. Among the directors, 77.8% (seven) are male and 22.2% (two) are female. The Board includes four members with doctoral degrees and three with master's degrees. All members have extensive industry experience and possess strong capabilities in operational judgment, business management, and strategic decision-making. In addition, they bring expertise in accounting, auditing, finance, sustainable development, law, risk management, creative marketing, and brand strategy management.

In 2024, the Company arranged for all directors to receive a 9-hour training course to help them acquire new knowledge and keep up with the times and familiarize themselves with their roles, functions, responsibilities and obligations in the Board of Directors, so as to effectively implement the corporate governance system.

Looking ahead, the Company will continue to offer diverse opportunities in line with its succession planning by engaging professionals from various fields in Company activities

or related discussion forums, thereby observing and assessing potential candidates to cultivate future Board members. When selecting director candidates, the Company's "Remuneration and Nomination Committee" will identify suitable candidates based on succession plans and individual director performance evaluations and submit a list of nominees to the Board of Directors.

## (2)Key management personnel

### Succession planning

The Company is committed to the development and training of high-level talent. Through systematic succession planning, it reserves key talents for the sustainable operation of the Company. It also regularly reviews the succession status of important management levels (including positions such as general manager and deputy general manager) and formulates training plans based on the evaluation results.

In the training plan for key management levels, the Company emphasizes the combination of professional knowledge and practical experience, and provides diversified development plans, including: education and training, project assignments, strategic rotations, etc. In addition, it uses external diversified learning resources, such as: industry forums, public association exchanges and professional courses (brand practice classes, etc.) to expand the vision and professional capabilities of the management level. At the same time, in order to strengthen strategic thinking and operational management capabilities, key management levels not only participate in a number of major cross-departmental projects, but also regularly attend strategic committee meetings and first-level supervisor meetings every month to ensure that they are aware of the Company's development trends and enhance decision-making capabilities.

In addition, we conduct annual performance evaluations to comprehensively review key management levels' work results and plan personal development plans based on the performance evaluation results, including project participation and job rotation. At the same time, performance results are used as a reference for promotion and salary compensation.

In order to further enhance the professional capabilities of the management team, the Company also invites professional consultants to participate in the Strategic Committee meetings to provide professional guidance and exchanges with key management. Through the experience sharing and suggestions of professional consultants, the understanding of the Company's business objectives can be strengthened, and leadership, business vision and independent development can be improved. In this way, a strong and capable management team with succession capabilities can be built to achieve sustainable development of the enterprise.

### Operation Status

Every year, the Company conducts a comprehensive review and planning for key management levels, conducts suitability assessments, and makes appropriate adjustments based on personal development plans. In addition to actively developing an internal succession team, we will also introduce external talent depending on the succession status to ensure the team's management capabilities and quality, and continue to promote and accumulate sustainable development capabilities.

In terms of training management, the Company provides a variety of development plans, including education and training, project assignments, strategic rotations, and external learning resources. Through a variety of learning and coaching resources, the professional capabilities of key management layers are enhanced so that they can grow in a planned and effective manner.

In addition, the Company regularly arranges team consensus courses to train entry-level, mid-level and senior management talents. For example, on May 29, 2024, the "Work Coaching and Subordinate Cultivation" training course for section-level supervisors will help them understand the thinking of different generations and learn how to lead new



colleagues across generations. On April 17-18, 2025, a two-day and one-night consensus course will be held for senior executives of the Strategic Committee, mid-level managers, and key talents who are being cultivated by various departments. The course aims to cultivate teamwork spirit and growth mindset, and guide and understand how to connect strategies, goals and specific actions and implement them.

Through training, rotation and project participation programs, the Company is committed to building a strong management team with succession capabilities at all levels of positions, and observing the suitability of the successor team from the plan to ensure the Company's long-term and stable sustainable development.

The Company regularly conducts promotion assessments. In 2024, one senior management member was promoted to the associate level, and the promotion was approved by the Remuneration Committee and the Board of Directors on June 11, 2024.

(VIII) Implementation status of internal control system

1. Internal control statement:

The Company's 2024 internal control system statement has been announced on the MOPS. You can go to the MOPS website (path: Homepage → Individual Company → Corporate Governance → Company Rules/Internal Control → Internal Control Statement Announcement) or go to the link: <https://mops.twse.com.tw/mops/#/web/t06sg20>, enter the market type (OTC), year (113) and company code (6982) to query the Company's 2024 internal control system statement.

2. Those who entrust a CPA to conduct a special audit of their internal control system shall disclose the CPA audit report:

In response to the OTC listing application, the Company has commissioned a certified public accountant to issue an internal control system review assurance report (the review period is from April 1, 2023 to March 31, 2024), and has announced the CPAs' internal control system review assurance report on the MOPS. You can go to the MOPS website (path: Homepage → Individual Company → Corporate Governance → Company Regulations/Internal Control → Internal Control Project Review Report) or go to the link: <https://mops.twse.com.tw/mops/#/web/t06hsg20>, enter the market type (OTC listing), year (113) and company code (6982) to query the CPAs' internal control system review assurance report.

(IX) Important resolutions and implementation status of shareholders' meetings and Board of Directors in the most recent year and up to the date of publication of the annual report:

1. Major resolutions of the shareholders' meeting and the implementation:

Date	Meeting type	Major resolutions	Implementation Status
2024/02/21	Extraordinary shareholders' meeting	1. Proposal for amendment to the "Articles of Incorporation" of the Company.	1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed. 2. The change was approved by the New Taipei City Government on March 14, 2024, and the amended "Articles of Incorporation" has been announced on the Company's website.

		2. Proposal for amendment to the “Corporate Governance Best Practice Principles” of the Company.	<p>1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</p> <p>2. After the resolution of the shareholders' meeting, the announcement was made on the MOPS and the Company's website.</p>
		3. Establishing the “Ethical Corporate Management Best Practice Principles” of the Company.	<p>1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</p> <p>2. After the resolution of the shareholders' meeting, the announcement was made on the MOPS and the Company's website.</p>
		4. Establishing the “Procedures for Ethical Management and Guidelines for Conduct” of the Company.	<p>1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</p> <p>2. After the resolution of the shareholders' meeting, the announcement was made on the MOPS and the Company's website.</p>
		5. Establishing the “Code of Ethical Conduct” of the Company.	<p>1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</p> <p>2. After the resolution of the shareholders' meeting, the announcement was made on the MOPS and the Company's website.</p>
		6. Formulated the Company's “Corporate Governance Best Practice Principles”.	<p>1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</p> <p>2. After the resolution of the shareholders' meeting, the announcement was made on the MOPS and the Company's website.</p>

		7. Amendment to the “Regulations Governing the Election of Directors and Supervisors” and change the name to “Regulations Governing the Election of Directors”.	<ol style="list-style-type: none"> <li>1. The number of votes in favor accounted for 99.9995% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</li> <li>2. After the resolution of the shareholders' meeting, it was announced on the Company's website.</li> </ol>
2024/06/03	Shareholders' meeting	1. Approved the 2023 financial statements and business report.	The number of votes in favor accounted for 99.9208% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.
		2. Approved the 2023 earnings distribution proposal.	<ol style="list-style-type: none"> <li>1. The number of votes in favor accounted for 99.9208% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</li> <li>2. July 5, 2024 is set as the base date for distribution, and July 24, 2024 is set as the payment date. (Cash dividend of NT\$1.6 per share).</li> </ol>
		3. Proposal for amendment to the “Articles of Incorporation” of the Company.	<ol style="list-style-type: none"> <li>1. The number of votes in favor accounted for 99.9601% of the total number of votes of shareholders present, and the proposal was passed as originally proposed.</li> <li>2. Approved by the New Taipei City Government on June 19, 2024, and the amended “Articles of Incorporation” has been announced on the Company's website.</li> </ol>

		<p>4. The Company intends to carry out a private placement of common stock through cash capital increase.</p>	<p>1. The number of votes in favor accounted for 6.3882% of the total number of votes of shareholders present, and the proposal was not passed after the vote.</p> <p>2. Important information was released on the day of the shareholders' meeting, explaining that in response to this private placement, after considering the market price and net asset value changes and observing the historical market conditions of individual stocks disclosed by the OTC Markets, it was found that the private placement price calculated based on the pricing range formulated according to the evaluation method at that time was lower than the private placement price estimated by the current stock price. In order to protect the rights and interests of all shareholders and investors, it is planned not to approve this private placement and to handle it at an appropriate time.</p>
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## 2. Summary of important resolutions of the Board of Directors

Date	Major resolutions approved
2024/03/15	1. The Company's 2023 financial statements and business report.
	2. The Company's 2023 earnings distribution proposal.
	3. Proposal for 2023 distribution of remuneration to employees and directors.
	4. Proposal for amendment to the “Articles of Incorporation” of the Company.
	5. Statement of Internal Control System of the Company in 2023.
	6. Draft the Company's “Risk Management Policy and Procedures”.
	7. Assessment of the independence and suitability of the Company's CPAs in 2024.
	8. The appointment of the Chief Corporate Governance Officer of the Company.
	9. Propose to formulate the Company's “Standard Operating Procedures for Handling Directors' Requests”.
	10. Propose to establish the “Audit Committee Charter” of the Company.
	11. Propose to amend to the Company's “Rules of Procedure for Board of Directors Meetings”.
	12. Establishment of the “Sustainable Development Committee” under the Board of Directors.
	13. The Company signed the “Agreement on Over-allotment and Voluntary Guarantee of Shareholders for Initial Stock Listing (OTC)” with the sponsoring securities firm.
	14. The Company's intention to convene the 2024 general shareholders' meeting and accept matters related to shareholders' proposal rights.
	15. Propose to adjust the organizational structure of the Company.

Date	Major resolutions approved
	16. The distribution of “2023 fourth quarter bonus to the managers”.
	17. Proposal for private placement of common stock with cash capital increase.
2024/05/10	1. The Company's 2024 first quarter consolidated financial statements.
	2. The distribution of 2024 first quarter managers' performance bonus.
	3. Amendment to the Company's “Regulations Governing the Board Performance Evaluation”.
	4. Bank’s credit line of the Company
2024/06/11	1. Proposal to determine the ex-dividend base date and payment date for the 2023 earnings distribution of cash dividend.
	2. The Company's financial forecast for the third and fourth quarters of 2024.
	3. Report on “2023 Distribution of Remuneration of Employees and Directors”.
	4. Promotion of the Company's “managerial officers” is proposed for ratification.
	5. The Company's application for the “Internal Control System Statement” for listing on the Taipei Exchange.
	6. The Company's “Financial Report Preparation Capability Description Evaluation Form and Accountant's Description and Suggestions on the Company's Financial Report Preparation Capability”.
2024/08/09	1. The Company's consolidated financial statements for the second quarter of 2024.
	2. The distribution of 2024 second quarter managers' performance bonus.
	3. The Company's preparation of the 2023 Sustainability Report.
	4. The company established a new Nanjing Sanmin office.
2024/10/03	1. Issuance of common shares for the cash capital increase of the initial listing on the Taipei Exchange for public underwriting before listing on the Taipei Exchange.
	2. “Removal of non-competition restriction for the Corporate Governance Officer” of the Company.
	3. The Company's “Managers’ Cash Capital Increase and Stock Subscription” proposal.
	4. Bank’s credit line of the Company
	5. Purchase of liability insurance for directors and supervisors from Cathay Century Insurance Co., Ltd.
	6. Amendment to the Company's “Audit Committee Charter”.
	7. Proposal for handling and tracking matters regarding the application for specific factory registration by Kaohsiung Zhengyi Factory.
2024/11/08	1. The Company's 2024 third quarter consolidated financial statements.
	2. The Company intends to set the schedule for the issuance of new shares for the cash capital increase before the initial listing on the Taipei Exchange.
	3. Mr. Hsieh, Ming-Hung, an independent director, is to be appointed as a member of the Sustainable Development Committee.
	4. Publish a notice in accordance with the Financial Supervisory Commission’s regulations to incorporate sustainable information management into the internal control system.
	5. The distribution of 2024 Q3 managers' performance bonus.
	6. Proposal for amendment to the “Corporate Governance Best Practice Principles” of the Company.
2024/12/24	1. The Company's 2025 business plan and financial budget.
	2. The Company's 2025 audit plan.
	3. Amendment to the “Authorization Authority Table” of the Company.
	4. The distribution of “2024 year-end bonus for the Company's managers”.
	5. The Company's “Managerial Officers’ Compensation Distribution and Contribution Rate Adjustment” proposal.
	6. Adjustment of the Company's “organizational structure”.

Date	Major resolutions approved
	7. The Company's "Change of Corporate Governance Officer" proposal.
2025/02/26	1. Adoption of 2024 financial statements and business report.
	2. Adoption of the 2024 earnings distribution proposal.
	3. Proposal for 2024 distribution of remuneration to employees and directors.
	4. Assessment of the independence and suitability of the Company's CPAs and the remuneration to the CPAs.
	5. Propose to formulate the "Non-assurance Services Policy" of the Company.
	6. The Company's 2025 corporate value enhancement plan.
	7. The Company's hedging of derivative financial products - forward foreign exchange transactions.
	8. Statement of Internal Control System of the Company in 2024.
	9. The definition of the scope of the Company's "entry-level employees".
	10. Proposal for amendment to the "Articles of Incorporation" of the Company.
	11. Proposal for amendment to the "Procedures for Acquisition or Disposal of Assets" of the Company.
	12. Proposal for amendment to the "Corporate Governance Best Practice Principles" of the Company.
	13. Amendment to the Company's "Procedures for Handling Material Information and Prevention of Insider Trading".
	14. Proposal to change the Company's "Remuneration Committee" to "Remuneration and Nomination Committee".
	15. Established the Company's "Remuneration Committee Charter" and "Remuneration Committee Management Procedure".
	16. Proposal for issuance of new restricted employee shares of the Company.
	17. Established related matters regarding the 2025 general shareholders' meeting
	18. Accepted related matters of shareholders' proposals for the 2025 general shareholders' meeting.
	19. The distribution of 2024 fourth quarter managers' performance bonus and project bonus.
	20. Proposal for change of the audit director of the Company.
	21. Proposal for change of the accounting supervisor of the Company.

- (X) In the most recent year and up to the publication date of the annual report, if the directors or supervisors have different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main contents are: None.

#### IV. Information on CPA professional fees

- (I) The amount of audit fees and non-audit fees paid to the certified public accountants, their affiliated firms, and affiliated companies, as well as the content of non-audit services, shall be disclosed:

Unit: NTD thousands

Name of CPA firm	Name of CPAs	CPA's audit period	Audit fees	Non-audit fees	Total	Note
PwC Taiwan	Chin-Chang Chen	From January 1, 2024 to December 31, 2024	2,080	350	2,430	Non-audit services include tax audits and ad hoc reviews of internal control systems.
	Fu-Min Liao					

- (II) If the accounting firm is changed and the audit fees paid in the year of change are less than the audit fees paid in the year before the change, the amount of audit fees before and after the change and the reason should be disclosed: No such situation.

(III) If the audit fees decrease by more than 10% compared with the previous year, the amount, percentage and reason of the decrease in audit fees shall be disclosed:

No such situation.

## V. Replacement of CPA

Not applicable.

## VI. The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked in the firm to which the CPA belongs or its affiliated companies within the past year

No such situation.

## VII. Changes in equity transfers and equity pledges by directors, managers and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the annual report

(I) Changes in shareholdings of directors, managers, and major shareholders:

Unit: Shares

Title	Name	2024		2025 Up to March 29		Note
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	
Corporate director	Jing Zhi Investment Co., Ltd.	-	-	-	-	
Representative of corporate director	Huang, Ching-Feng	-	-	-	-	
Corporate directors and major shareholders	You Chang Investment Co., Ltd.	-	-	-	-	
Representative of corporate director	Huang, Ching-Yun	-	-	-	-	
Corporate director	Wen hua Investment Co., Ltd.	-	-	-	-	
Representative of corporate director	Shen, Chien-Hua	-	-	-	-	
Corporate director	Jing Yu Investment Co., Ltd.	-	-	-	-	
Representative of corporate director	Huang, Chin-Chen	-	-	-	-	
Director	Tsung-Lin Kuo	-	-	-	-	
Independent Director	Da-Pai Shen	-	-	-	-	
Independent Director	Chih-Min Fang	-	-	-	-	
Independent Director	Ming-Hong Hsieh	-	-	-	-	
Independent Director	Hsin Sun	-	-	-	-	

Title	Name	2024		2025 Up to March 29		Note
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	
Deputy General Manager	Chiu, Chien- Lung	(70,000)	-	(9,000)	-	
Chief Financial Officer	Chang, Teng- Hsi	-	-	-	-	
Senior Manager	Chen, Yung- Chi	(23,000)	-	-	-	
Senior Manager	Sun, Kuo-Hwa	(31,000)	-	-	-	
Senior Manager (Note)	Lin, Hsueh- Cheng	40,000	-	-	-	

Note: Senior manager Lin, Hsueh-Cheng was promoted by the Board of Directors on June 11, 2024 and took effect from July 1, 2024.

(II) The counterparty of equity transfer is a related party: No such situation.

(III) The counterparties of the pledge of equity are related parties: No such situation.



**VIII.Information on whether the top ten shareholders in terms of shareholding ratio are related persons or spouses or relatives within the second degree of kinship**

March 29, 2025; Unit: Shares; %

Name (Note 1)	Shares held by the person		Shares held by spouse and underage children		Total shares held in the name of others		If the top ten shareholders are related persons or spouses, or relatives within the second degree of kinship, their names or full names and relationship		Note
	Number of shares (Note 2)	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
1. You Chang Investment Co., Ltd.	9,680,000	23.99	-	-	-	-	Huang, Ching-Yun	Chairman and Legal Representative of the Corporation	-
							Jingshun Investment Co., Ltd.	Same representative	
Representative: Huang, Ching-Yun	584,000	1.45	-	-	-	-	You Chang Investment Co., Ltd.	Chairman and Legal Representative of the Corporation	-
							Jingshun Investment Co., Ltd.	Chairman and Legal Representative of the Corporation	
							Hsieh, Tsui-Chuan	Second degree kinship	
							Shen, Chien-Hua	Second degree kinship	
							Huang, Chin-Chen	Second degree kinship	
2. Jingshun Investment Co., Ltd.	2,455,000	6.08	-	-	-	-	Huang, Ching-Yun	Chairman and Legal Representative of the Corporation	-
							You Chang Investment Co., Ltd.	Same representative	
Representative: Huang, Ching-Yun	584,000	1.45	-	-	-	-	You Chang Investment Co., Ltd.	Chairman and Legal Representative of the Corporation	-
							Jingshun Investment Co., Ltd.	Chairman and Legal Representative of the Corporation	
							Hsieh, Tsui-Chuan	Second degree kinship	
							Shen, Chien-Hua	Second degree kinship	
							Huang, Chin-Chen	Second degree kinship	
3. Jing Zhi Investment Co., Ltd.	2,455,000	6.08	-	-	-	-	Hsieh, Tsui-Chuan	Chairman and Legal Representative	-

Name (Note 1)	Shares held by the person		Shares held by spouse and underage children		Total shares held in the name of others		If the top ten shareholders are related persons or spouses, or relatives within the second degree of kinship, their names or full names and relationship		Note
	Number of shares (Note 2)	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
								of the Corporation	
Representative: Hsieh, Tsui-Chuan	-	-	-	-	-	-	Jing Zhi Investment Co., Ltd.	Chairman and Legal Representative of the Corporation	-
							Huang, Ching-Yun	Second degree kinship	
							Shen, Chien-Hua	Second degree kinship	
							Huang, Chin-Chen	Second degree kinship	
4. Wenhua Investment Co., Ltd. Co., Ltd.	2,455,000	6.08	-	-	-	-	Shen, Chien-Hua	Chairman and Legal Representative of the Corporation	-
Representative: Shen, Chien-Hua	584,000	1.45	-	-	-	-	Wen hua Investment Co., Ltd.	Chairman of the Corporation Representative	-
							Huang, Ching-Yun	Second degree kinship	
							Hsieh, Tsui-Chuan	Second degree kinship	
							Huang, Chin-Chen	Second degree kinship	
5. Jingyu Investment Co., Ltd.	2,455,000	6.08	-	-	-	-	Huang, Chin-Chen	Chairman and Legal Representative of the Corporation	
Representative: Huang, Chin-Chen	584,000	1.45	-	-	-	-	Huang, Ching-Yun	Second degree kinship	-
							Hsieh, Tsui-Chuan	Second degree kinship	
							Shen, Chien-Hua	Second degree kinship	
6. Delta Electronics Cpaital Company	1,045,000	2.59	-	-	-	-	-	-	-
Representative: Liu, Liang-Fu	-	-	-	-	-	-	-	-	-
7. Hua Nan Venture Capital Co. Ltd.	955,000	2.37	-	-	-	-	-	-	-
Representative: Li, Yao-Ching	-	-	-	-	-	-	-	-	-
8. Abico Asia Capital II Excellence Transformat	850,000	2.11	-	-	-	-	-	-	-

Name (Note 1)	Shares held by the person		Shares held by spouse and underage children		Total shares held in the name of others		If the top ten shareholders are related persons or spouses, or relatives within the second degree of kinship, their names or full names and relationship		Note
	Number of shares (Note 2)	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or name)	Relationship	
ion and Growth Limited Partnership									
Representative: Excelsior Capital Management Co., Ltd.	-	-	-	-	-	-	-	-	-
9. CDIB Innolux Fund L.P.	817,000	2.02	-	-	-	-	-	-	-
Representative: CDIB Capital Group	-	-	-	-	-	-	-	-	-
10. Industrial Technology Investment Corporation (ITIC)	700,000	1.73	-	-	-	-	-	-	-
Representative: Liu, Wen-Hsiung	-	-	-	-	-	-	-	-	-

**IX. The number of shares held by the Company, its directors, managers and enterprises directly or indirectly controlled by the Company in the same invested enterprise, and the calculation of combined shareholding ratio**

December 31, 2024 Unit: Shares in thousands; %

Reinvestment business (Note 1)	Company's investment		Directors, managers, and directly or indirectly controlled businesses		Comprehensive investment	
	Number of shares (Note 2)	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
SUZHOU WALRUS PUMP CO., LTD.	-	100%	-	-	-	100%

Note 1: Long-term investments accounted for using the equity method by the Company.

Note 2: The investee is a limited liability company, hence not applicable.

## Three. Financing Status

### I. Capital and shares

#### (I) Source of capital of the Company

##### 1. Source of share capital

Unit: Shares; NTD thousands

Year Month	Issuance price (\$)	Authorized share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as capital contribution	Others
2020/11	10	40,000,000	400,000,000	20,000,000	200,000,000	Capital reduction	-	Note 1
2020/11	10	40,000,000	400,000,000	21,120,000	211,200,000	Capital increase in cash	-	Note 2
2020/11	10	40,000,000	400,000,000	23,445,000	234,450,000	Capital increase in cash	-	Note 3
2022/01	10	40,000,000	400,000,000	24,641,000	246,410,000	Capital increase in cash	-	Note 4
2022/05	10	40,000,000	400,000,000	26,681,000	266,810,000	Capital increase in cash	-	Note 5
2022/06	10	60,000,000	600,000,000	26,681,000	266,810,000	Amendment to increase the authorized capital	-	Note 6
2022/07	10	60,000,000	600,000,000	29,349,100	293,491,000	Capital increase out of earnings	-	Note 7
2022/09	10	60,000,000	600,000,000	31,344,100	313,441,000	Employee share options	-	Note 8
2022/12	10	60,000,000	600,000,000	35,344,100	353,441,000	Capital increase in cash	-	Note 9
2022/12	10	60,000,000	600,000,000	35,349,100	353,491,000	Employee share options	-	Note 10
2024/12	10	60,000,000	600,000,000	40,349,100	403,491,000	Capital increase in cash	-	Note 11

Effective (approved) date and document number

Note 1: Approved by the New Taipei City Government's Letter No. 1098081619 on November 11, 2020, the par value of the stock is NT\$10.

Note 2: Approved by the New Taipei City Government's Letter No. 1098083967 on November 19, 2020, the par value of the stock is NT\$10.

Note 3: Approved by the New Taipei City Government's Letter No. 1098085527 on November 26, 2020, the par value of the stock is NT\$10.

Note 4: Approved by the New Taipei City Government's Letter No. 1118002611 on January 12, 2022, the par value of the stock is NT\$10.

Note 5: Approved by the New Taipei City Government's Letter No. 1118032132 on May 10, 2022, the par value of the stock is NT\$10.

Note 6: Approved by the New Taipei City Government's Letter No. 1118045392 on June 30, 2022, the par value of the stock is NT\$10.

Note 7: Approved by the New Taipei City Government's Letter No. 1118050346 on July 15, 2022, the par value of

the stock is NT\$10.

Note 8: Approved by the New Taipei City Government's Letter No. 1118070230 on September 30, 2022, the par value of the stock is NT\$10.

Note 9: Approved by the New Taipei City Government's Letter No. 1118089472 on December 14, 2022, the par value of the stock is NT\$10.

Note 10: Approved by the New Taipei City Government's Letter No. 1118092549 on December 30, 2022, the par value of the stock is NT\$10.

Note 11: Approved by the New Taipei City Government's Letter No. 1138091780 on December 19, 2024, the par value of the stock is NT\$10.

## 2. Types of shares

March 29, 2025 Unit: Shares

Types of shares	Authorized share capital			Note
	Outstanding shares	Unissued shares	Total	
Registered common shares	40,349,100	19,650,900	60,000,000	Shares of listed stocks

## 3. Information related to the summary declaration system: None.

### (II) List of major shareholders

March 29, 2025; Unit: Persons; Shares; %

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
You Chang Investment Co., Ltd.		9,680,000	23.99%
Jingshun Investment Co., Ltd.		2,455,000	6.08%
Jing Zhi Investment Co., Ltd.		2,455,000	6.08%
Wen hua Investment Co., Ltd.		2,455,000	6.08%
Jing Yu Investment Co., Ltd.		2,455,000	6.08%
Delta Electronics Cpaital Company		1,045,000	2.59%
Hua Nan Venture Capital Co. Ltd.		955,000	2.37%
Abico Asia Capital II Excellence Transformation and Growth Limited Partnership		850,000	2.11%
CDIB Innolux Fund L.P.		817,000	2.02%
Industrial Technology Investment Corporation (ITIC)		700,000	1.73%

### (III) Dividend policy and implementation status of the Company

#### 1. Dividend policy defined in the Articles of Incorporation:

When the Company has a net income after tax for the final account of a fiscal year, the accumulated loss shall be compensated first, following by appropriating 10% thereof as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Company, such appropriation may be exempted. For the remaining amount, special reserve shall be set aside or reversed according to the law and regulations. Subsequently, if there is still remaining amount, it shall be combined with the accumulated undistributed earnings for the Board of Directors to establish an earnings distribution proposal, followed by submission to the general shareholders' meeting for resolution on the distribution of shareholders' dividends and bonuses or retention thereof.

The industrial development of the Company is currently under the growth stage, and the Company's policy on the distribution of dividends shall be determined based on the factors of the present and future investment environment, fund demand, domestic/overseas competition

and capital budget etc. along with the benefits of shareholders, balance of dividends and the long-term planning of the Company. The earnings distribution proposal is to be established by the Board of Directors each year, and the proposal is submitted to the shareholders' meeting. The distribution of earnings may be made in the form of cash dividends and stock dividends depending upon the funding needs and dilution of earnings per share. However, the total dividends distributed from earnings shall not be less than 10% of the distributable earnings for that year, and the cash dividends shall not be less than 20% of the total dividends.

2. Dividend distribution proposed at the shareholders' meeting:

On February 26, 2025, the Board of Directors of the Company resolved to allocate NT\$84,733,110 from the distributable earnings for 2024 as cash dividends, with the cash dividend per share being NT\$2.1. This proposal will be approved by the shareholders' meeting on May 27, 2025, and the chairman will set the ex-dividend base date, payment date and other related matters.

3. Description of expected major changes in dividend policy: No such situation.

- (IV) The impact of the proposed free allotment of shares at this shareholders' meeting on the Company's operating performance and earnings per share  
This shareholders' meeting did not propose a free allotment of shares, so it is not applicable.

(V) Remuneration to employees and directors

1. Percentage or range of remuneration to employees and directors as stated in the Articles of Incorporation:

According to the Company's Articles of Incorporation, if the Company makes a profit in the year, it should allocate:

- (1) 3% to 10% of the profit shall be appropriated as the remuneration of employees.
- (2) The remuneration of directors and supervisors shall not exceed 2%.

However, if the Company still has accumulated losses, the Company shall first reserve the amount to offset the losses, followed by appropriating amounts according to the ratios described in the preceding paragraph as remunerations of employees and directors/supervisors. The distribution of remunerations of employees and directors/supervisors shall be approved by a majority of the directors present at a Board of Directors' meeting attended by more than two-thirds of the total number of directors, and shall also be reported to the shareholders' meeting. The remuneration of employees described in the preceding paragraph may be disbursed in the form of shares or cash, and the recipients of the remuneration of employees may include employees of the subordinate companies satisfying certain criteria. The distribution of remuneration to employees and directors/supervisors shall be handled in accordance with relevant laws and regulations, and shall be resolved by the Board of Directors.

At the 2025 Annual Shareholders' Meeting, the Company proposed to amend the provisions on the percentage of employee remuneration in the Company's Articles of Incorporation. In accordance with the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposed to amend the provisions on the percentage of employee remuneration in the Company's Articles of Incorporation: If the Company makes a profit in the year, it shall allocate 3% to 10% of the employee remuneration, of which at least 2% shall be allocated to entry-level employees. This proposal will be implemented in the future after it is approved by the shareholders' meeting on May 27, 2025.

2. The basis for estimating the amount of employee and director remuneration for the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stock, and the accounting treatment when the actual amount distributed differs from the estimated amount:

The estimated amount of employee and director remuneration of the Company is recognized as salary expense based on the employee and director remuneration allocation ratio stipulated in the Company's Articles of Incorporation after deducting the amount before employee and director remuneration allocation from the net profit before tax for the current period. If the actual distribution amount determined by a subsequent shareholders' meeting differs from the estimated amount, it shall be treated as a change in accounting estimate and recognized as profit or loss in the year of actual distribution.

3. The Board of Directors' approved the distribution of remuneration:

- (1) If the amount of employee compensation and director compensation distributed in cash or stock differs from the estimated amount recognized as an expense for the year, the amount of the difference, the reason, and the handling status shall be disclosed:

On February 26, 2025, the Company's Board of Directors resolved to distribute NT\$8,876,423 in employee remuneration and NT\$2,536,121 in director remuneration for 2024, totaling NT\$11,412,544. The entire amount was paid in cash. There was no difference between the remuneration and the amount recognized in the Company's 2024 financial report.

- (2) Amount of employee compensation distributed in the form of stock and the proportion of the total net profit after tax and total employee compensation of the current period or individual financial statements: The Company did not propose to distribute employee compensation in the form of stock.

4. The actual distribution of employee and director remuneration in the previous year (including the number of shares distributed, amount and share price), and any discrepancy between the actual employee, director and supervisor remuneration and the recognized employee, director and supervisor remuneration, and the difference, reason and handling status shall be stated:

The Company's employee and director remuneration plan for 2023 has been approved by the Board of Directors on March 15, 2024. The actual distribution was as follows:

- (1) The remuneration to employees and directors was NT\$4,272,408 and NT\$1,110,073, respectively, all paid in cash.  
(2) There is no difference between the actual distribution and the amount recognized in the Company's 2023 financial statements.

(VI) In the most recent year and up to the date of publication of the annual report, The Company repurchases its own shares: No such situation.

**II. Issuance of corporate bonds**

Not distributed.

**III. Handling of preferred shares**

Not distributed.

**IV. Overseas depository receipts**

Not distributed.

**V. Employee stock options**

Not distributed.

**VI. Restrictions on employee rights and new shares' handling situations**

Not distributed.

## **VII. Merger and acquisition or issuance of new shares by acquiring other companies**

None.

## **VIII. Implementation of capital utilization plan**

The Company's cash capital increase and new stock issuance plan before listing in 2024 has been fully executed and the implementation status has been announced in the MOPS. You can go to the MOPS website (path: Homepage → Individual Company → Equity Change/Securities Issuance → Fund Raising Plan Execution) or go to the link: [https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2) and enter the Company code (6982) to check the Company's cash capital increase in 2024.



## Four. Operation overview

### I. Content of business

#### (I) Scope of business

##### 1. The main business activities

CA01050 Secondary processing of steel

CB01010 Mechanical equipment manufacturing industry

CB01990 Other machinery manufacturing industry

CD01010 Ship and parts manufacturing industry

CE01030 Optical instrument manufacturing industry

CP01010 Hand tool manufacturing industry

F106010 Hardware wholesale industry

F113010 Machinery wholesale industry

F113990 Wholesale of other machinery and equipment

F199990 Other wholesale trade

F206010 Hardware retail sales

F213080 Machinery and equipment retail trade

F213990 Other machinery and equipment retail

F399990 Other comprehensive retail trade

F401010 International trade

JA02990 Other repair industry

ZZ99999 In addition to permitted business, it may operate business that is not prohibited or restricted by laws and regulations

I301030 Electronic information supply services

##### 2. Main products and sales proportion

Unit: NTD thousands; %

Year Product items	2024		2023	
	Net operating income	Proportion (%)	Net operating income	Proportion (%)
Pump	1,550,956	96.17	1,348,134	95.97
Others	61,803	3.83	56,663	4.03
Total	1,612,759	100.00	1,404,797	100.00

3. Current products and services include: pumps for civil use, pumps for equipment, special commercial pumps, and pump-related maintenance services.

##### 4. Plan to develop new products and services

A.Design and development of brushless DC motor water pump products.

B.Introducing IoT expected diagnosis and monitoring services.

C.Development of pump for cooling circulation system of charging pile.

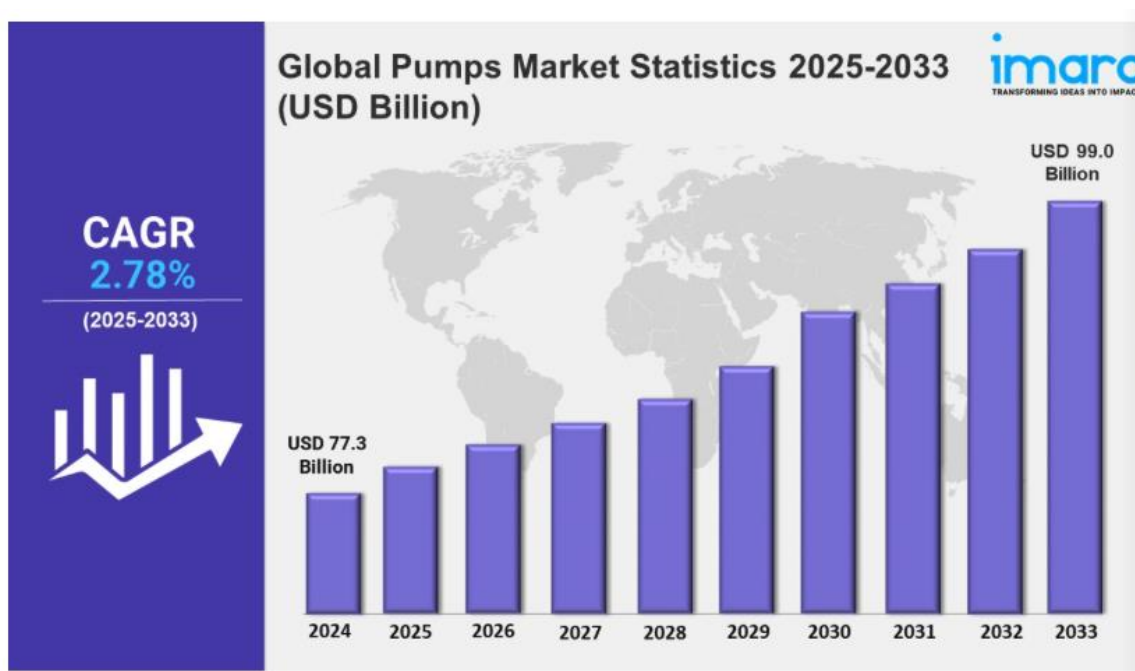
D.Server cooling circulation system pump product application development.

## (II) Industry overview

### 1. Industry status and development

Pumps are indispensable equipment in today's industrial and livelihood systems, and are widely used in petrochemical, pharmaceutical, water treatment, construction, agriculture, energy and other fields. With increasingly stringent environmental regulations, advances in smart technology, and changes in the global economy, the pump industry is facing challenges and opportunities for transformation and innovation. The pump industry is shifting from traditional mechanical equipment manufacturing to intelligent, high-efficiency, environmentally friendly, and sustainable development. With the increase in global market demand, especially in the fields of water treatment, renewable energy, smart buildings and industry, pump technology innovation and digital transformation will become the key to future competition.

According to a report by IMARC Group, the global pump market is expected to grow from US\$77.3 billion in 2024 to US\$99 billion in 2033, with an average annual growth rate of 2.78% (as shown in the figure below). This growth is mainly driven by the acceleration of urbanization and industrialization, especially in developing countries.



According to the World Health Organization, by 2050, about 68% of the world's population will live in cities, which will force a sharp increase in demand for infrastructure such as water supply, sewage treatment and HVAC systems. In addition, infrastructure expansion, especially in water and wastewater treatment facilities and power plant investments in emerging markets, has also contributed to the growth in demand for pumps. For example, the U.S. government announced approximately \$6 billion in funding in 2024 for the construction of clean water and wastewater treatment infrastructure.

With the continuous innovation of pump technology, such as the integration of Internet of Things (IoT) technology, the efficiency, reliability and effectiveness of pumps have been improved. And with the rapid industrialization of emerging market countries, the market

demand for water pumps has increased dramatically. Taking 2023 as an example, the industrial pump market will grow from US\$64.66 billion to US\$68.27 billion, with a growth rate of 5.07%.

The Asia-Pacific region has become the largest pump market due to rapid urbanization and industrialization. In China and India, the market for irrigation pumps continues to expand due to agricultural demand. Coupled with the entry of venture capital into the market and the merger and acquisition strategies in the industry, competition in this market has become increasingly fierce.

According to a market analysis report by P&S Market Research, the global centrifugal water pump market is growing rapidly and is expected to continue to maintain its strong momentum in the next few years. The report predicts that the global centrifugal water pump market size will grow from approximately US\$41.2 billion in 2024 to nearly US\$65 billion in 2032, with a compound annual growth rate of 5.9% (as shown in the figure below). As mentioned above, this growth benefited from continued demand in areas such as infrastructure construction, industrial production and agricultural irrigation. In terms of regional market performance, Asia Pacific is the world's largest centrifugal water pump market, accounting for more than 40% of the share. With the acceleration of urbanization and industrialization and the emphasis on water resource management, China, India and Southeast Asian countries will become the fastest growing regions in the next few years. North America and Europe will also maintain steady growth due to infrastructure renewal and continued demand for industrial production.



In the field of technology pumps, “Green Manufacturing” and “Industry 4.0” will be the two main development trends for high-efficiency motor equipment manufacturing in the future. There are many devices that make good use of water for heat dissipation and driving. Improving efficiency through water pumps can allow various devices to gradually achieve energy-saving

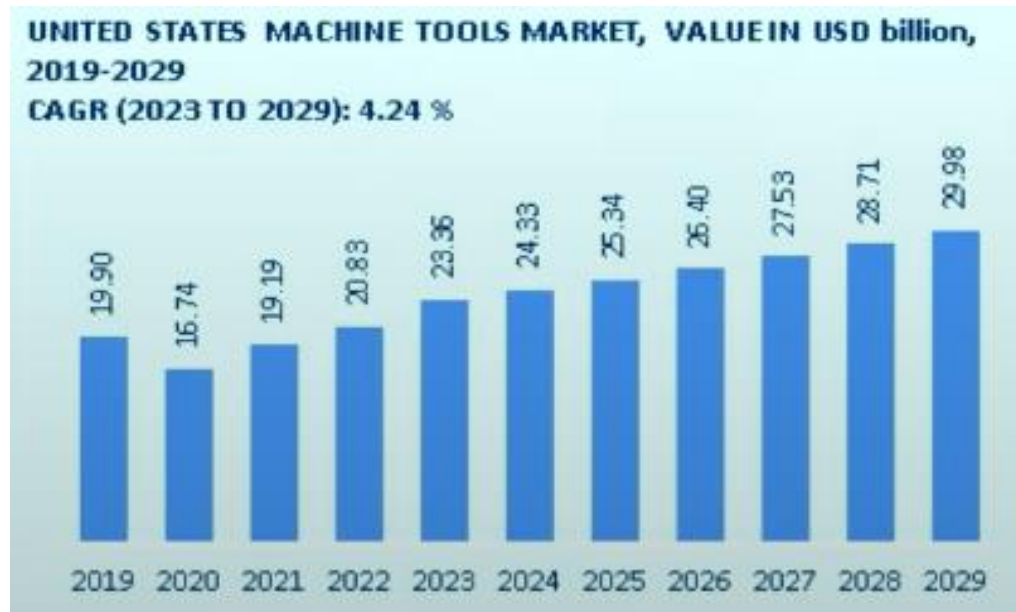
effects as a trickle, as a green manufacturing, reduce harm to the earth's environment and achieve ESG sustainable development goals. The main categories of the future target markets for the relevant technology water pumps are as follows:

A. Server cooling: With the development of technologies such as cloud computing, artificial intelligence (AI), and high-performance computing (HPC), the energy consumption and cooling requirements of data centers continue to increase. Traditional air cooling systems can no longer meet the heat dissipation requirements of high-power servers, so liquid cooling technology has gradually become mainstream, driving the growth of water pump demand.

B. Cooling of charging piles: With the rapid growth of the electric vehicle (EV) market, ultra-high power charging technology (HPC, High Power Charging) has become a trend. However, the increase in power brings a lot of heat energy. If the heat dissipation is not good, it will affect the charging efficiency and device life. Therefore, traditional air cooling can no longer meet the needs, and liquid cooling technology is used to improve charging efficiency and ensure stable operation of the equipment.

C. Energy storage liquid cooling: With the development of renewable energy (such as solar energy and wind energy), energy storage systems have become an important key to stabilizing the power grid. However, energy storage systems generate a large amount of heat during operation. Without effective cooling, this may lead to decreased battery efficiency, shortened lifespan, and even the risk of thermal runaway.

In the machine tool industry, the overall market size in the United States continues to grow (including compound milling machines and lathes that use the most water pumps). According to the Mordor Intelligence report, the output value of the U.S. machine tool market was approximately US\$20 billion in 2019, and is expected to reach US\$25.3 billion by 2025. The annual compound growth rate (CAGR) between 2023 and 2029 will reach 4.24% (as shown in the figure below). This is mainly due to the high demand for metal products in the U.S. aerospace, automotive, defense and other application industries and the return of U.S. manufacturing, which will boost the demand for metal forming machines. The market size is expected to reach US\$30 billion by 2029.



Precision and customized machine tools are the top priorities for future development, and they also promote the U.S. market and innovation. At the same time, government regulations also play an important role in the overall market development. For example, the “Clean Competition Act (CCA)” will introduce carbon tariffs and potentially encourage manufacturers to adopt more environmentally friendly and energy-saving production processes. The various executive orders and trade regulations issued by U.S. President Trump after taking office will also affect the future import and export direction of U.S. machine tools at any time.

The future emphasis on automation and smart processes will drive the production of the latest precision machinery. Major manufacturers, including DMG MORI, TRUMPF, HAAS, and Amada will all focus on design updates, production automation, and smart modular processes. In order to respond to the above low-carbon policies and smart technology to cooperate with the US industry development and regulatory changes, Taiwanese suppliers need to focus on unique conditions and advantages, such as innovation and smart technology, cost control, and improving pump efficiency and low energy consumption as core trends.

According to the China Research Institute of Industry, the global water pump market size is expected to rise further in 2025. Asia Pacific is the world's largest water pump market, accounting for 50% of the market share, followed by Europe and North America. China is the world's largest water pump production base with its high cost-performance ratio advantages, and accounted for approximately 50% of the market share. According to statistics, the market size of China's water pump industry in 2022 was about \$210 billion, and it is expected to reach \$236 billion by 2024, and is expected to reach about \$500 billion in 2025, with a compound annual growth rate (CAGR) of about 6.5%.

According to a report by IMARC Group, the Japanese pump market size reached US\$4.1 billion in 2024. Considering the maturity of the Japanese market, the growth rate may be lower than the global average. Therefore, assuming a 3.5% CAGR for the Japanese pump market between 2024 and 2030, the market size will reach approximately US\$5.05 billion by 2030.

Japan may be driven by the following factors:

- A. Coolant circulation system (increased heat removal demand in production process): With the growing demand for stable cooling in industry, commercial buildings and manufacturing industries, the operating efficiency and stability of the chiller, as a key cooling equipment, depends on the stable operation of the pump. The chiller system requires a pump to circulate the cooling water (or coolant) and deliver the cooling effect to the equipment or area that needs cooling.
- B. Increase in industrial application: As precision, high-efficiency and automation requirements of tooling machines continue to increase, the demand for pumps is also growing. These requirements mainly focus on stable circulation of coolant, efficient and energy-saving cooling systems, and pumping equipment that can accurately control liquid flow and temperature.

As for the Thai pump market, according to Research and Markets, Thailand's water pump market is expected to continue to grow between 2024 and 2031. According to forecasts, the market value may reach US\$45.30 million by 2031, with an annual growth rate of about 6.7% to 6.74%. Thailand is a developing economy with a strong agricultural sector and the demand for water pumps is expected to grow at a compound annual growth rate (CAGR) of about 6%. This growth is driven by Thailand's rapid industrialization and urbanization trends, which highlight the need for sustainable and efficient water infrastructure.

The distribution of liquid pump application market in Taiwan has changed a little, with household pumps accounting for the largest market share. Their main functions are pressurized water supply for general household water towers, water supply for aquariums and pools, and removal of water from basements. The number of uses varies depending on the type of room, and there are many types required, with relatively simple technology. Commercial use mainly includes building water supply, fire protection water supply and central air-conditioning water. Industrial use includes factory water supply and process manufacturing. Factory water supply is mainly used to transport cooling water for cooling mechanical equipment, while process manufacturing mainly uses pumps to transport chemical liquids, organic solvents, and petrochemical liquids. The public construction projects mainly include large facilities such as power plants, MRT, and refineries, which require a small number of pumps but a large horsepower. Other uses include agriculture, animal husbandry, etc.

According to the "2025 Analysis of Taiwan's Pump, Compressor, Plug Valve, and Valve Manufacturing Industry" report published by the Taiwan Institute of Economic Research, the overall outlook shows that since the United States and China are Taiwan's main export markets for this industry, the conservative investment sentiment in traditional manufacturing and the sluggish real estate markets in these regions have led to a decline in demand for products such as pumps, compressors, and valves. This has negatively impacted Taiwan's export performance in this sector for 2024. However, with growing expectations that the U.S. Federal Reserve will

cut interest rates, corporate investment willingness is likely to rise. Additionally, lower mortgage rates may help stimulate the U.S. housing market, which could in turn increase demand for Taiwan's industry products and support export performance in 2025.

In terms of product sales performance, pumps are widely used in industries such as water treatment, petrochemicals, oil and gas, and power generation, with “liquid pumps” accounting for a larger sales share. Benefiting from ongoing infrastructure initiatives in the U.S. and increased capital expenditure in its petrochemical sector, overseas orders for Taiwan’s liquid pumps rebounded between January and October 2024. This resulted in a total sales value of NT\$15.017 billion, reflecting an annual growth rate of 2.95% (as shown in the chart below).

Unit: NTD million, %

		2020	2021	2022	2023	From January to October 2024
Liquid pump	Sales value	13,974	16,540	19,004	17,617	15,017
	Annual growth rate	-4.21	18.37	14.89	-7.30	2.95
Vacuum pump	Sales value	1,522	1,511	1,370	1,208	1,288
	Annual growth rate	11.84	-0.72	-9.36	-11.80	24.31
Blower	Sales value	1,622	1,750	1,745	1,466	1,168
	Annual growth rate	-4.90	7.89	-0.23	-16.01	-4.85
Air compressor	Sales value	4,209	4,704	4,573	4,641	4,152
	Annual growth rate	-1.79	11.75	-2.78	1.48	12.35
Refrigerant compressors	Sales value	3,788	4,481	4,371	3,721	3,074
	Annual growth rate	-1.72	18.29	-2.46	-14.85	-2.46
Other pumps, compressors and parts	Sales value	5,975	7,533	8,674	9,339	5,276
	Annual growth rate	7.35	26.06	15.15	7.67	-33.05
Bronze and brass valves	Sales value	3,937	5,135	4,819	4,438	4,207
	Annual growth rate	15.54	30.42	-6.14	-7.91	15.76
Other metal valves	Sales value	11,171	12,795	14,681	13,093	9,919
	Annual growth rate	-16.24	14.53	14.74	-10.81	-12.17
Valves and faucets	Sales value	24,774	30,400	29,026	26,260	22,193
	Annual growth rate	8.83	22.71	-4.52	-9.53	3.96

Source: Industrial Production Statistics, Statistics Department of the Ministry of Economic Affairs; Taiwan Institute of Economic Research's industrial and economic database (January 2025)

The majority of liquid pumps sold today are below 1HP, and are mainly used for household water use. Due to their wide range of uses and a wide variety of types, they are in high demand, and most use single-phase motors to drive the equipment. 1-9HP is mainly used for water supply to commercial buildings, snack bars, restaurants, air conditioners, etc., accounting for the second largest proportion. 10-49HP is mainly used for industrial water, with a small part used in commercial applications. 50-99HP is mainly used in industry, including factory water supply and process manufacturing. Large pumps above 100HP are mainly used. Public works and large factories such as petrochemical plants all need to use this type of liquid pump products. Liquid pumps can be divided into the following three categories based on their

intended use:

- A. Pumps for domestic use: suitable for pressurizing and transporting clean water without impurities in general households. Common applications include water supply systems for residential apartments, automatic water supply systems without rooftop water towers, and drainage of accumulated and gushing water.
- B. Equipment pumps: suitable for industrial systems, cleaning systems, booster systems, liquid transmission, garden irrigation, etc.
- C. Commercial pumps: used for pressurizing and transporting clean water without impurities in general commercial applications, such as water supply and drinking water systems in apartments, townhouses, and schools, or in beauty salons, saunas, etc.

Domestic water pump products are mainly used to supply and demand residential water equipment. In response to the necessity of pumps for users, coupled with the increasing density of residential space and the increasing demand for emerging equipment (such as coffee machines, RO machines, etc.), the functions and demands of pumps have naturally increased, such as pump operation decibels, water supply and delivery volume, water pressure stability and energy saving.

According to the report titled “Analysis of Taiwan’s Pump, Compressor, Plug, and Valve Manufacturing Industry in 2025” published by the Taiwan Institute of Economic Research, the performance of Taiwan’s pump, compressor, plug, and valve manufacturing industry in 2025 is closely tied to the global and major economies' projected economic growth, as outlined by various international research institutions. Although global economic growth in 2025 is not expected to differ significantly from that in 2024, governments around the world continue to push forward infrastructure development policies, particularly in technology infrastructure to enhance national competitiveness. Meanwhile, due to supply chain shifts, ASEAN economies are expected to maintain steady growth, driven by infrastructure investments in clean energy, high technology, and supply chain strengthening. These trends will significantly boost demand for large-scale pumps, valves, and compressors used in heavy industry and infrastructure projects.

In consumer industrial applications, lower mortgage rates are expected to revitalize the U.S. housing market and stabilize China’s housing market. As a result, global demand for household appliances is projected to rise. Furthermore, as many countries and major corporations implement ESG initiatives, household appliances are evolving toward energy-efficient and environmentally friendly designs. This, combined with replacement demand, is likely to drive increased procurement of consumer-use appliance components from this industry. Therefore, driven by the increase in demand for people's livelihood industries and the continued progress of major projects such as infrastructure construction, the global production value of this industry is expected to rebound in 2025 compared to 2024.

Additionally, with the United States continuing to promote infrastructure development and



implementing various policies that attract numerous enterprises to invest there, along with the Federal Reserve's interest rate cuts expected to boost local investment, and the surge in investment enthusiasm in New Southbound regions, procurement orders from the U.S. and New Southbound markets for Taiwan's industry are anticipated to continue growing in 2025. However, China's announcement to suspend the tariff concessions for products listed in the second batch under the "Cross-Strait Economic Cooperation Framework Agreement (ECFA)" between the two sides of the Taiwan Strait has severely impacted Taiwan's industry sales performance in China's market. As a result, the annual growth rate of Taiwan's export value for this industry is expected to show only modest growth in 2025. In the domestic market, Taiwan's industry is expected to benefit from the country's stable economic growth in 2025. The business opportunities brought by AI are likely to spur a new wave of investment in the domestic electronics sector, and the government's increased investment in public infrastructure will further support the growth in domestic demand for the industry. However, due to continued real estate control measures by the central bank, demand from the real estate sector remains weak. Therefore, the industry's domestic sales value is also expected to experience only modest growth in 2025. Overall, as both domestic and foreign market demand is expected to pick up, the industry's sales value is expected to show a slight growth trend in 2025.

The future development of the liquid pump industry will mainly focus on improving energy efficiency. According to the "Global Pump Market Review and Outlook" survey and analysis by the Industrial Technology Research Institute's International Institute of Industrial Science, some countries have announced regulations on pump energy efficiency. For example, mainland China and the European Union have issued voluntary and mandatory minimum energy efficiency regulations for pumps. The United States has also followed up with the issuance of minimum energy efficiency regulations for pumps since 2020. In the future, it will continue to drive the replacement of old pumps with new ones, allowing the market size to maintain growth momentum. Taiwan will also follow international trends in implementing energy efficiency control. Therefore, pump manufacturers are expected to build relevant laboratories that comply with the control provisions and develop energy efficiency improvement technologies in the future. Due to the need for considerable capital investment, mergers and acquisitions or joint ventures may appear between industries. For manufacturers unable to invest in efficiency improvement technologies, they may shift their markets to Southeast Asia and other countries that do not yet attach importance to energy efficiency. They may also leave the core pump industry and turn to other peripheral related businesses. Mainland China still occupies the leading position in the Asia-Pacific region, followed by Europe and America. However, due to factors such as low wages and a complete supply chain that can provide a complete product line, mainland China can provide a variety of pump products and parts to the world, and its share in the world may continue to increase. Since Taiwan accounts for a relatively small share of the world's total market and liquid pumps are not a product with a high replacement rate, the demand will not change much, so the market

position is not expected to change much.

## 2. Correlation between upstream, midstream and downstream industries

The upstream, midstream and downstream of the overall water pump industry are closely linked to each other, forming a complete sustainable development ecological chain. The following is a brief description of the upstream, midstream and downstream of the overall livelihood and equipment water pump products:

- Upstream (supply chain and raw material supply):

The upstream industry is mainly responsible for providing key raw materials and parts required for the production of water pumps, which affects product costs, performance and competitiveness.

Major upstream supplier categories: electronic product suppliers, metal material suppliers, and key mechanical parts suppliers.

Electronic goods supplier (Impact on smart control, variable frequency drive)	Water pumps require electronic control systems for precise execution and management. Electronic goods suppliers offer a variety of sensors, inverters and controllers that help improve the energy efficiency and control accuracy of water pumps.
Metal material supplier (Impact on the strength of pump body and parts)	Iron and aluminum materials are used for the structural parts of the water pump, such as the pump body and rotor. These suppliers provide high-quality metal materials that can effectively improve the durability and performance efficiency of the water pump. As environmental protection requirements increase, suppliers need to optimize the smelting process, reduce harmful emissions, and provide recycling and reuse solutions.
Key mechanical parts suppliers (Impact on pump durability)	The water pump is composed of multiple detailed components, such as bearings, seals, connecting parts, etc., all of which are provided by parts suppliers. The quality of these parts directly affects the performance reliability and maintenance cost of the water pump.

- Midstream (production, R&D and technology application):

The midstream industry is responsible for the research and development, production and technology optimization of pumps. Its competitive advantages mainly come from motor efficiency, product durability and intelligence.

The midstream segment involves product production, technology research and development, and service support, and is the core of the entire supply chain. Responsible for assembling the raw materials and parts provided by upstream suppliers into complete water pump products. During the manufacturing process, the technologies involved include precision machining, welding and assembly, which can affect the quality and stability of the product.

- Downstream (sales, applications and services):

Downstream industries are responsible for product distribution, technology application and after-sales service, affecting market penetration, brand influence and customer satisfaction.

The downstream mainly involves the promotion and sales of products, which is a link connecting end users. Downstream distributors and agents are responsible for promoting water pump products to end customers, including commercial, industrial and civil markets.

Major sales channels:

- Distributors and agents
- E-commerce platform
- engineering, construction market, and other wider channels (B2B)
- Municipal and infrastructure
- After-sales and technical support

### 3. Various development trends of products

The product development stages of various companies in the industry are relatively similar. The research and development of water-cooled pumps and DC pumps breaks through the existing situation and creates uniqueness and higher-level technology. The overall market trend for domestic water pump products is to provide comprehensive product sales combined with maintenance services. Water pump products are not just independent products, but part of household water demand and system engineering, which requires a complete and comprehensive solution, including design, manufacturing, sales, and after-sales service. The standardization, integration and internationalization of pump product specifications will become an inevitable trend in the future growth momentum of sales performance. In the future, industrial water pumps will play an important role in key components as technology develops and large equipment manufacturers apply intelligent technology. The Company will also focus on the following aspects of development:

- (1) WALRUSFIT: We provide various customized designs in addition to standard product options. In addition to meeting the basic needs of various industries for pump application head and flow combination, we can also make detailed adjustments for temperature, liquid type, maximum current limit, specific component materials, communication connection system, etc. In addition, with the advancement of science and technology, the market demand for smart water pumps is gradually increasing. The Company will adopt intelligence and Internet of Things (IoT) technology to promote product intelligence, realize water pump automation, intelligent monitoring and remote control prediction and troubleshooting, improve the reliability and safety of the overall pump device, enhance the quality and technology of use, and accelerate entry into the fields of smart housing and smart manufacturing.
- (2) (IE3, IE4, ESG) = Energy saving and environmental protection: In promoting green and sustainable products, we can trace the design source from the environment, introduce green design elements from the design source, and take reduction, energy saving, recycling, and hazardous substance management as the Company's four major green design directions during the design and development stage. Green design techniques are combined with quality processes, and checks and adjustments are carried out at each stage of the design to reduce the impact of products on the environment at each stage of the life cycle, provide customers with better quality green products, and establish the sustainable value of products. In recent years, the concepts of sustainability and environmental protection have attracted more and more attention from manufacturers and consumers, and product energy saving,

consumption reduction, and reduction of carbon dioxide emissions have become important trends. The Company's product development is accompanied by continuous investment in ESG issues, and the Company adopts high-efficiency energy-saving motors, controllers, inverters and other technologies to achieve energy conservation and reduce carbon dioxide emissions. In 2022, the Company achieved sales of high-efficiency energy-saving motors (IE3 and IE4) in terms of units and sales value, accounting for 7.62% and 5.89% respectively, and the Company continues to use its core capabilities to drive the sustainable development of the sales market. Compared with the same type of IE1 minimum energy efficiency level (rated efficiency 73.49%), using a TPH2T3K water pump with an energy efficiency level of IE4 (rated efficiency 78.77%) can reduce carbon emissions by 30.97 kg in one year. If the average service life of the motor is 15 years, using a TPH2T3K water pump with an IE4 energy efficiency level will reduce carbon emissions for the Earth by 464.51 kg. In order to develop high-quality water pumps that meet market demand and energy efficiency standards, the Company uses the energy efficiency specifications of the target market as the inspection standard at the early stage of design, and conducts prototype testing to confirm whether it meets the energy efficiency requirements. We will further propose improvement strategies and design changes if there are any non-compliant items. Since 2022, 100% of the prototypes of all newly developed products have been tested for energy efficiency and all meet the energy efficiency standards.

- (3) New technology pumps: With the improvement of environmental regulations, many companies have begun to look for more efficient and low-energy pump systems, which has promoted the development of high-efficiency pumps and smart pump technologies, because these technologies not only save energy but also improve operational efficiency. The global demand for energy-efficient products is increasing year by year, especially for energy-saving water pumps. This has led many manufacturers to increase their research and development and investment in high-efficiency water pumps. Water cooling systems can significantly reduce energy consumption and improve overall operational efficiency. They are also increasingly popular due to their excellent heat dissipation performance and are expected to account for the largest share of the data center cooling system market in the next few years. The Company has been continuously investing in the development of water pump applications for server cooling and has been in contact with domestic and foreign equipment manufacturers and OEMs. The Company has been actively in contact with these manufacturers and has sent samples to them for verification and testing.

#### 4. Competition of products

- (1) The implementation of minimum energy efficiency regulation will help the transformation of the pump industry:

The largest part of the liquid pump market in Taiwan is used for people's livelihood and equipment, with a relatively simple structure and low technical threshold. Therefore, there

are many competitors and product price competition is very fierce, with low profits. If the minimum energy efficiency control is implemented, it can effectively improve the energy efficiency technology of this part of the product and reorganize the market competitors, so that the product will no longer fall into price wars and achieve transformation of the liquid pump industry. In addition, since major countries such as the United States, mainland China and the European Union all have minimum energy efficiency control standards, and other countries will continue to follow suit in the future, the implementation of energy efficiency control for liquid pumps in Taiwan will help enhance international competitiveness and also help expand the international market.

(2) Develop special types of pumps to expand the market size:

The domestic market for liquid pumps has its size limitations, and expanding the export market is an inevitable trend. However, the competition from mainland China, Southeast Asia, Europe, the United States and Japan is very fierce. Regardless of price or technology, each has its own advantages. Taiwan's liquid pumps can find gaps that have not yet been met and expand operations. For example, Taiwan's vacuum pump exports are relatively advantageous in terms of quality and price. In addition, well pumps and submersible pumps are also special product types that are currently exported by some of Taiwan's OEMs. Therefore, there is still opportunity and room for profit in the export sector in the future.

At present, the Company primarily focuses on the domestic market, with the current sales ratio of domestic to international markets at approximately 7:3. In recent years, the Company's key export regions have included Thailand, Brazil, the United States, Cambodia, South Korea, Ireland, and Vietnam. The Company evaluates the characteristics of each region, such as susceptibility to water shortages or widespread use of groundwater, to offer products tailored to local needs.

In the export market, the Company's main competitors include leading global brands such as Grundfos, KSB, Wilo, Xylem, Sulzer, Hitachi, Mitsubishi, and Panasonic. These competitors primarily focus on high-end products. In contrast, the Company positions its export products in the mid-to-high price range, offering alternative choices in the market. The Company also promotes different types of products based on the unique demands of each country. For example, in regions where domestic water supply infrastructure is underdeveloped, such as parts of Southeast Asia and Central and South America, the Company primarily sells household booster pumps. The focus is on industrial booster pumps in countries known for exporting machine tools, such as the United States and South Korea.

In recent years, the Company has actively participated in important exhibitions at home and abroad, such as the VietWater, the EMO Hannover, the Taiwan Expo, the TIMTOS 2025 Taipei Int'l Machine Tool Show, etc., mainly to increase international exposure and continue to deepen the domestic market. In addition, the Company mainly uses regional distributors or agents as sales channels to sell pump products to end consumers

through various distributors or agents. International exhibitions can enhance the brand recognition of distributors or agents, thereby increasing the number of distributors or agents. In order to assist dealers in various regions in promoting their business, the Company also sponsors the advertising expenses of overseas dealers or agents from time to time.

### (III) Overview of technology and R&D

#### 1. Technical level of the business

Pumps and water resources are products that are closely related to our lives. The Company's product design is based on the expectation and vision of “injecting innovation and bringing out excellence”, taking concepts such as convenience, safety, reliability and environmental protection into account. Whether in installation, disassembly, maintenance, water quality, or safety protection mechanisms and energy saving and carbon reduction, they are all key projects in product technology and design. The Company's products have passed CE, RoHS and other relevant certifications. The entire series of products also incorporates green environmental protection design concepts and has passed the inspection of the Taiwan Electronic Testing Center. They comply with the EU's new RoHS 2011/65/EU Restriction of Hazardous Substances Directive, ensuring the safety and health of users. More than 95% of the entire machine components are recyclable and reused, implementing the core value of safe water use and improving the quality of human life.

In order to enhance the professional technology of process and R&D, the Company obtained an internationally certified pump power laboratory from TAF National Certification Foundation and TÜVNORD Asia Pacific in 2015, and applied for ILAC authorization and accreditation to establish a dedicated production technology and verification department. It is one of the very few laboratories in Taiwan's pump industry that has obtained dual accreditation in both the pump and motor fields and has international certification units. The company's existing product development history is summarized as follows:

Year	Product development history	Year	Product development history
1978	Production and sales of general household water pumps	2014	HQ series: Electronic pressure regulator
1982	Easy-change water pump	2015	TPR series: Vertical multi-stage pump
1984	Vortex self-priming pump 8 series: Automatic press machine	2017	PW-AD series: Suction dry submersible pump
1999	TPH series: Horizontal multi-stage centrifugal pump	2018	PK series: Fish pond special submersible pump HQIC series: Computer variable frequency constant pressure pump TPMK series: Vertical submersible pump TPRK_HSIC: Frequency conversion multi-stage submersible centrifugal pump
2000	TPX series: Differential pressure automatic booster pump		

2002	TQ series: Electronic pressure regulator TQIC series: Computer variable frequency constant pressure press	2022	WQ_B series: Water cooling press
2003	TPHK series: Vertical submersible pump		
2004	TPVK series: Vertical multi-stage pump TS series: Silent water pump	2023	TPHK_P: Plasticizing vertical submersible pump
2005	TPRK series: Vertical submersible pump	2024	GQ series: Electronic pressure regulator GQCN series: Solar power special voltage stabilizer TPU series: Self-priming pump series
2006	TQRO series: RO special pressurizer		
2009	AQ series: Electronic pressure regulator		

In addition, the Company currently has patent layout all over the world, with a total of 122 patents, and many exclusive patents are spread across 17 countries including Taiwan, Brazil, Australia, New Zealand, Malaysia, the United States, China, South Korea, the Philippines, Thailand, Indonesia, Vietnam, Japan, and the European Union. If divided by application country, it includes: 36 in China (CN), 44 in the Republic of China (TW), 6 in the United States (US), 4 in the European Union (EPO), 3 in Japan (JP), 3 in South Korea (KR), 2 in Canada (CA), 4 in Malaysia (MY), 3 in Vietnam (VN), etc.; and if divided by patent application category: 4 design patents (appearance), 30 design patents, 25 invention patents, and 63 utility model patents. New patents with higher technical levels account for nearly 50% of the total number, with application countries covering Asia, Europe and America, and the probability of invention patent approval is extremely high. R&D patents and trademarks are the guarantee of the Company's product quality and the embodiment of our core competitiveness. Overall, under the wave of economic globalization and industrial upgrading, the Company has made substantial gains in water pump technology and human quality improvement after years of accumulation, and has won wide recognition and competitive advantages for its products and brands in the market.

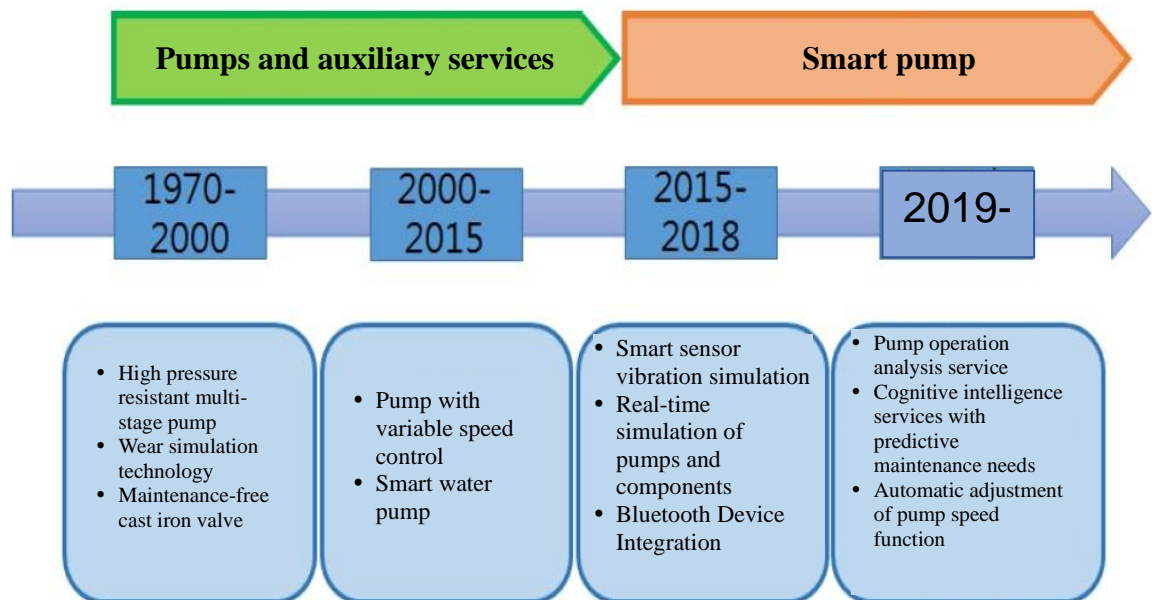
Category/Country of application	Taiwan	China	USA	European Union	Japan	South Korea	Canada	Malaysia	Vietnam	Brazil	Indonesia	Cambodia	Thailand	the Philippines	Others	Total
Visual design	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Design	5	0	2	2	2	1	2	2	2	1	1	2	0	2	6	30
Invention	9	2	4	2	1	1	0	1	1	1	1	1	0	0	1	25
New type	30	30	0	0	0	1	0	1	0	0	0	0	1	0	0	63
Subtotal	44	36	6	4	3	3	2	4	3	2	2	3	1	2	7	122

Taiwan ranks among the top ten machine tool producers in the world, and approximately 50% of the machine tool market in Taiwan utilizes the Company's industrial pump products. In addition to supplying equipment manufacturers across Taiwan, the Company has in recent years responded to the needs of water treatment systems and the aerospace sector by integrating green, high-efficiency pumps with machine tool equipment, system applications, and the fluid industry. It has also entered the aerospace components supply chain, achieving

vertical integration of upstream and downstream operations to elevate its product R&D capabilities. Moreover, with the advent of the Fourth Industrial Revolution, the global manufacturing industry is undergoing large-scale technological innovation centered on “smart manufacturing”. This revolution emphasizes the application of Artificial Intelligence (AI) and the Internet of Things (IoT), accelerating the implementation of human-machine collaboration environments and new production models. The Industrial 4.0 era brings about smart machinery, which refers to the integration of various smart technology elements to enable traditional mechanical equipment to have intelligent functions such as fault prediction, precision compensation, automatic parameter setting and automatic scheduling. For small and medium-sized manufacturers, adding various sensor components to machine tools and capturing machine data can further improve equipment utilization and enhance the functions of the machine itself.

The Industrial Internet of Things (IIoT), one of the core technologies of Industry 4.0, enables operational data from equipment to be uploaded to the cloud via sensors. This data is then analyzed using big data tools to deconstruct machine operating conditions, allowing machines to communicate with external systems. This supports users in making preemptive adjustments and conducting maintenance. When applied to pump systems, this is referred to as an Intelligent Pump Networking System. Pump technology is highly mature and has a long history. Before 2000, the trend of technological evolution was to develop more additional functions for pump equipment, such as wear simulation, high-pressure resistant multi-stage pumps, etc. From 2000 to 2015, the concept of speed control was gradually added to promote more flexible operation and energy application. We can also gradually see the application of intelligent networking concepts to pumping phenomena. From 2015 to 2018, pump technology was developing towards intelligent networking. Pump manufacturers transformed into service providers, integrating concepts such as sensors, wireless networking, and Bluetooth transmission, allowing users to obtain equipment operation information at any time. After 2019, the trend of big data analysis has been adopted, collecting historical operation information to achieve the functions of pre-maintenance, fault warning and even material replacement notification, and also enable the equipment to have self-awareness and can adjust the rotation speed or eliminate obstacles by itself. The development history of the intelligent networking system for pumps (as shown in the figure below).





Source: IEK Consulting (2019/8)

## Pump IoT application



Source: Compiled by the Company

The Company is also actively involved in government initiatives, such as the Smart Machinery Industry Promotion Program launched by the Industrial Development Bureau of the Ministry of Economic Affairs in 2016. This program aims to upgrade precision machinery into smart machinery to create employment opportunities and expand exports. In alignment with government policies, the Company has adopted the “Taiwan Intellectual Property Management System” (TIPS) and introduced smart manufacturing and Industry 4.0 technologies to improve production processes. This includes the implementation of intelligent logistics systems and supplier platforms. By enhancing internal management efficiency, the Company is transforming its traditional production lines into next-generation smart factories.

Looking ahead, the Company aims to utilize human-machine collaboration to achieve intelligent production, avoid unnecessary waste, reduce inventory levels, and respond promptly to environmental changes.

## 2. Personnel of research and development department and their academic background

The educational background of the company's main R&D personnel is as follows:

Unit: Persons; %									
Year		End of 2022		End of 2023		End of 2024		As of March 31, 2025	
		Number of people	Ratio (%)	Number of people	Ratio (%)	Number of people	Ratio (%)	Number of people	Ratio (%)
Education background	Master/PhD	8	16.33%	10	19.61%	12	20.69%	15	25.42%
	University	20	40.81%	21	41.17%	25	43.10%	27	45.76%
	Specialist	12	24.49%	11	21.57%	12	20.69%	10	16.95%
	High school (including below)	9	18.37%	9	17.65%	9	15.52%	7	11.86%
Total R&D personnel		49	100.00%	51	100.00%	58	100.00%	59	100.00%

## 3. R&D expenses invested in the most recent year and up to the date of publication of the annual report, and technologies or products successfully developed

### (1) Research and development expenses in the most recent year and up to the date of publication of the annual report

Unit: NTD thousands; %			
Item/Year	2023	2024	March 31, 2025
R&D expenses	63,330	63,580	17,754
Net operating revenue	1,404,797	1,612,759	429,431
R&D expenses as a percentage of net operating revenue	4.51%	3.94%	4.13%

Note: 2023 and 2024 are the consolidated financial statement figures, and March 31, 2025 is the Company's self-settled figures.

### (2) Products successfully developed in the most recent year and up to the date of publication of the annual report

Year	Products developed successfully
2022	WQ_B series: Water cooling press
2023	TPHK_P: Plasticizing vertical submersible pump
2024	GQ series: Electronic pressure regulator GQCN series: Solar power special voltage stabilizer TPU series: Self-priming pump series

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

##### 1. Short-term business development plans

###### (1) Strengthen existing markets and explore new business opportunities

In the global and domestic water pump markets, the Company strategically selects representative distribution customer groups as sales service targets to maintain its leading position in the domestic water pump market. It also conducts competition analysis on major markets in a timely manner, studies existing products in the market and identifies the strengths and weaknesses of competitors, in order to explore the positioning and differentiation strategies of the Company's products and further plan the development possibilities of new products. In addition, we also conduct independent market research and sales for new markets and new businesses in a timely manner to gain an in-depth understanding of the market's demand and competition. We also collect valuable information through qualitative and quantitative research to develop targeted market entry and sales.

###### (2) Enhance the timeliness and effectiveness of after-sales services

In addition to continued brand promotion and sales, we will strengthen the establishment of overseas repair centers to complete the complete value chain from branding, sales and after-sales service.

###### (3) Enhance production efficiency of products

In order to meet the market's high-efficiency demands, we strengthen cooperation with suppliers to ensure a stable supply of raw materials and key components and improve production quality and efficiency. Meanwhile, ensure the efficient operation of the warehousing and logistics systems to facilitate the rapid and stable delivery of products.

###### (4) Expose the Company's brand and products on the global stage, strive for more market opportunities, and increase market share

Actively participate in large-scale exhibitions and exchanges at home and abroad to meet with potential customers from all over the world and develop new markets. We also seek to become an ODM (Original Design Manufacturer) in sync with major international manufacturers to increase exposure, market share and expand product lines. At the same time, we plan to use the Company's Suzhou factory in China to conduct joint procurement and increase the production of household and industrial products to further enter the ASEAN and European markets.

###### (5) Invest resources in the R&D and manufacturing of products

We will research and develop products with high technological content and high gross profit margin to meet the needs of high-end market customers. Combined with the development trend of industrial automation, we can meet customers' requirements and expectations for process quality.

## 2. Long-term business development plans

(1) Provide customers with diverse choices to meet their various possible needs

We develop pump products in various technical fields, expand our product categories, and further develop product specifications to meet the various needs of end users.

(2) Use emerging technologies to improve product production and operation efficiency

Artificial intelligence (AI), Internet of Things (IoT) and big data analysis are used to optimize production processes, reduce downtime/waiting time, and achieve the goal of intelligent monitoring or remote control to improve the efficiency of product production and operation. Through continuously updated data and dynamic information, obstacles in the process can be identified and eliminated in advance, and the company can grasp real-time information at any time and make corresponding countermeasures.

(3) Optimize existing products and upgrade technologies

We optimize the appearance and specifications of existing products that have been sold for many years to increase product recognition and differentiate them from counterfeit products. Developed a more energy efficient IE5 motor pump that complies with the latest European standards.

(4) Integrate upstream and downstream resources to strengthen core competitiveness

The Company will continue to seek possible upstream and downstream cooperation opportunities, and work with local water pump import companies or water resource-related enterprises in other countries through mergers and acquisitions, equity investment and strategic cooperation. We will leverage the existing channels and customer base of our partners to reduce possible barriers to entering the local market and the time required for market adaptation, strengthen the Company's control over material sources and product technology, cost and quality, and enhance the Company's overall competitiveness.

(5) Expand sales and technical service areas and strengthen brand awareness and recognition

The Company will establish sales and technical service channels in more major countries and regions, deepen market sales and establish local services through cooperative manufacturers or setting up marketing outlets, so as to understand local customer needs more quickly and effectively, and provide customized solutions for the different industries to which local customers belong, to achieve one-stop instant services, and enhance service competitiveness and customer satisfaction.

(6) Continue to invest resources in talent development and focus on corporate social responsibility to enable the company to achieve sustainable development

Improve the Company's employment system, create an environment conducive to attracting, training and retaining talents, actively participate in corporate social responsibility issues, pay attention to the opinions of investors and all sectors and continue to improve.

## II. Market and production and sales overview

### (I) Market analysis

#### 1.Sales (provided) regions of major products (services)

Unit: NTD thousands

Sales area	2024		2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Domestic sales	1,086,466	67.37	953,223	67.85
Overseas sales	526,293	32.63	451,574	32.15
Total	1,612,759	100.00	1,404,797	100.00

#### 2.Market share

The water pump products and technical services sold by the Company can be used in the field of domestic water use as well as in many other application fields such as manufacturing, construction, accommodation and catering, entertainment and leisure services, agriculture/fishery, wholesale and retail, electricity and new energy, and other service industries. Due to the wide variety of our products, we have not yet found any objective and credible data to calculate the market size of each product. Therefore, we are unable to calculate our market share in the Taiwan market.

In the European and American markets, the leading companies in the global pump market are usually from Europe and the United States, such as Grundfos, KSB, Xylem, Sulzer, Flowserve, Wilo, and many other internationally renowned manufacturers. Therefore, the Company's market share in the European and American markets is still low. However, in the future, with price competitiveness and market penetration strategy, as well as the continuous strengthening of brands and sales channels, the Company will have the opportunity to increase its share in the international market.

According to Research and Markets, Thailand's water pump market is expected to continue growing between 2024 and 2031. According to forecasts, the market could be worth US\$45.3 million by 2031, showing an average annual growth rate of approximately 6.7% to 6.74%. International companies account for about 15-20% of the market share among the major manufacturers in Thailand's water pump market. The Company's market share in Thailand, if viewed from the perspective of sales, has increased significantly year by year in Thailand and Cambodia. This shows that with the continuous investment in marketing and planning in recent years, the brand awareness of the product has been successfully improved.

In the China's market, according to data from the China General Machinery Industry Association, the market size of China's water pump industry has shown an increasing trend year by year. In 2022, the market size of China's water pump industry was approximately RMB 210 billion, and it is expected to reach RMB 236 billion by 2024, and is expected to reach around RMB 500 billion in 2025, with a compound annual growth rate (CAGR) of approximately 6.5%. As the world's largest water pump production base, China has a high cost-effectiveness advantage. The Company has a pump assembly production line in China (Suzhou). We obtain

semi-finished products from our company, assemble them, and then mass-produce them for sale in the mainland or Asia Pacific ASEAN markets, shortening the customer's time to market. We also establish competitive barriers through patents to maintain established market share and profits, becoming a benchmark for sales in emerging markets.

### 3. Future market supply and demand and growth

According to United Nations data, it is estimated that by 2025, about 1.8 billion people will live in countries or regions experiencing water shortages, and about two-thirds of the world's population may live under such conditions. Most of the world's population growth is occurring in developing countries, which are suffering from water scarcity and a lack of access to safe and clean drinking water. According to United Nations statistics, as of 2015, the global urbanization rate was approximately 55%. It is projected to rise to 60.4% by 2030 and further increase to 68.4% by 2050. As megacities gradually take shape, the demand for clean water usage environments and urban wastewater and sewage treatment will increase significantly beyond current planning, thereby creating more investment opportunities in water-related industries.

Changes in the global liquid pump market size are closely related to building starts, new plant construction and public infrastructure construction. Developing countries are the regions with the highest growth in the global liquid pump market size. As developing countries are gradually entering the industrialization stage, a large number of new liquid pumps are needed in water treatment, including factory water supply and process manufacturing, and the large-scale construction of buildings has also increased the demand for pressurized water supply. As developed countries have entered a mature industrialization stage, the pace of facility construction has slowed down, and the demand for liquid pumps is mostly concentrated on parts replacement and replacement of old with new. Looking at the development of both types of countries, there is a demand for pumps every year, so the overall global market maintains stable growth.

In Europe and Australia, water supply systems generally provide sufficient water pressure, resulting in relatively low demand for household booster pumps. In contrast, Australia, known as the driest continent in the world, relies primarily on natural rainfall for drinking water, which is stored and supplied through dams. The Australian government also strictly regulates the use of groundwater to ensure the sustainability of water resources. As a result, due to the country's emphasis on water resource management, its water supply systems typically provide adequate water pressure to meet daily household needs. In addition, building design and water supply infrastructure in Europe and Australia generally take into account topography and water pressure requirements to ensure that water pressure can meet daily use in most households. Therefore, the demand for domestic booster pumps in these areas is relatively low. In general, the water supply systems in Europe and Australia are designed and managed so that the water pressure is sufficient for domestic and commercial purposes, which may be one of the reasons why the Company's booster pump sales in these markets are relatively small. However, there are still some areas or special circumstances where a booster pump may be needed to solve the problem

of insufficient water pressure, so the Company will continue to expand possible markets in this area.

In other regions such as Japan and South Korea, since they are major industrial manufacturing countries with complete public water supply facilities, the demand mainly comes from industrial equipment circulation and cooling pumps, such as the demand for water pumps for machine tools and their peripheral equipment. In developing countries, such as Southeast Asia, Thailand, and Malaysia, the main demand is for compressors for people's livelihood and circulating pumps for aquaculture, so the demand is stable and continues to grow.

As for the development of the domestic pump industry, it is an oligopolistic market and is dominated by small and medium-sized enterprises, with about 100 companies in total. Among them, there are relatively few manufacturers with capital of more than NT\$50 million, and the sales channels are mainly distribution agents. According to the Industrial Production, Sales and Inventory Dynamics Survey conducted by the Statistics Department of the Ministry of Economic Affairs, the domestic sales value of domestic liquid pumps in 2024 was approximately NT\$6.833 billion, and the export value was approximately NT\$11.483 billion; the total domestic sales volume in 2024 was approximately 1.17 million units, and the direct export volume was approximately 3.38 million units. The sales volume (including value) of the domestic water pump industry in the past five years was detailed in the following table:

Year	Domestic sales volume (Taiwan)	Annual growth rate (%)	Domestic sales value (NTD thousands)	Annual growth rate (%)	Direct export sales to Taiwan	Annual growth rate (%)	Direct export value (NTD thousands)	Annual growth rate (%)
2020	1,354,370	-3.41	4,835,363	-4.18	3,572,436	-9.32	9,138,745	-4.23
2021	1,418,114	4.71	6,083,708	25.82	3,952,571	10.64	10,456,782	14.42
2022	1,106,563	-21.97	6,635,883	9.08	4,383,733	10.91	12,367,837	18.28
2023	1,117,419	0.98	6,652,717	0.25	3,381,123	-22.87	10,964,506	-11.35
2024	1,171,898	4.88	6,833,125	2.71	3,379,549	-0.05	11,482,811	4.73

Source: Product statistics of the Industrial Production, Sales and Inventory Dynamics Survey of the Statistics Department of the Ministry of Economic Affairs

In the machine tool sector, the main applications of pumps include cooling systems and hydraulic systems. Machine tools require a steady flow of coolant to maintain consistent temperatures during machining, as well as to provide consistent pressure and flow in the hydraulic drive system. Therefore, pumps play a vital role in these applications, especially in high-precision equipment such as CNC machine tools, lathes, milling machines, etc. With the reshoring of US manufacturing and advancements in automation technology, the demand for high-performance machine tools has increased, which has directly driven the demand for high-efficiency coolant pumps. Particularly for high-end CNC machine tools and precision machining equipment, the demand for pumps is growing.

The products developed by the Company are mainly centrifugal pumps (including vertical centrifugal pumps and submersible pumps), which are widely used in the household, machine tool and other market fields. Due to the development of the water pump industry, future

applications will still be mostly in process/manufacturing, followed by water resources construction. The process/manufacturing industry is the stage from raw materials to semi-finished or finished products. The liquids, gases and semi-solids that need to be processed all rely on pumps or their related mechanical equipment. Chemical, petroleum refining, food and packaging, pulp and papermaking are all industries that require processes. Their application environments are usually more severe, including the need for acid resistance, high circulation rates, combustible materials, and resistance to high pressure or high temperature. Therefore, more attention is paid to the replacement and maintenance of parts in after-sales services. In summary, the Company uses its own R&D technology to mass-produce various water pump products and has a professional sales and service team. It has been extensively involved in the aforementioned related fields for many years. In the future, it will also cooperate with government policies to invest in water resources construction (because it accounts for approximately 20% of the total liquid pump application market). Its market momentum is closely related to government investment. Future growth drivers for water resource management include the continued increase in water supply and public health needs in developing countries; another growth driver is that many water supply pipelines in developed countries are more than 50 years old and rely on government maintenance and renovation of old water resource infrastructure.

With the rapid development of technology (IoT) and the fermentation of ESG issues in recent years, the application of the concept of intelligent networking system in pumping equipment can transparently display the operating status of the pumping system and remind users to make preventive adjustments and maintenance at any time. This is a trend in technological research and development in recent years. In addition, the global trend of net zero emissions in 2050 and the promotion of electrification of transportation will also drive the rapid growth of the charging pile market. In recent years, the Company has observed market trends and future developments in pump applications and has been gradually laying out the aforementioned market growth opportunities. In addition to maintaining the market share of existing products, we hope to diversify pump applications and create more revenue sources and product usage value.

#### 4. Analysis of competitive niches and product competition

##### (1) Sound corporate governance and solid technical team

Since its establishment, the Company has been adhering to the concept of long-term and stable operation. With its abundant innovation and R&D capabilities, combined with the senior technology of domestic optoelectronic manufacturers, it has a high degree of professionalism in the related technologies and market changes of the pump industry, and is able to fully master manufacturing technology and fully meet customer needs and solve customer pain points. The Company attaches importance to product research and development and quality improvement and has the courage to innovate and move towards new product process integration and high value-added product development. In addition, our



employees have strong cohesion and high stability. After experiencing the Covid-19 epidemic in recent years, the Company has further strengthened its strategic management capabilities. It has continued to enter the technology application industry and electric vehicle industry-related fields. It is currently one of the leading domestic water pump design and manufacturing companies.

(2) Global deployment of specialized resources to control key materials

The Company possesses robust development capabilities. In addition to in-house mold development and plastic injection manufacturing, it also controls the key raw materials used in high-performance composite materials. Owing to their excellent plasticity during production, these materials enable direct injection molding without further processing, reducing the typical product lead time from approximately 4-6 months to just 4-6 days. This effectively achieves the dual objectives of lowering manufacturing costs and improving delivery efficiency, allowing the Company to respond swiftly to customer demands while maintaining control over both progress and quality. Since its establishment, the Company has steadily applied for domestic and international patents and product certifications. In 2012, it invested in the development of a pump power testing laboratory, obtaining ISO/IEC 17025 laboratory accreditation certificates from both the Taiwan Accreditation Foundation (TAF) and TÜV of Germany. This enables systematic testing to ensure accurate results, effectively forming a patent barrier and deterring industry competition.

(3) Stable source of orders

The Company currently has a long-term partnership with the domestic distribution system, stably supplies products to the distribution channel market, and continuously improves its development process technology. Moreover, the Company actively expands its overseas distribution channels and regards customers as long-term partners. From its inception, it has adopted state-of-the-art machinery and rigorously controlled product processes to improve yield rates, maintaining consistent product quality over the years. Its product designs have repeatedly received awards both domestically and internationally. With the brand's extended recognition, the Company enjoys stable order sources. Additionally, its advantages in supply chain management and efficient production processes help fill market gaps left by competitors with longer delivery cycles.

(4) Product quality assurance

The Company has established “design operation control process”, “trial, assembly and testing operation control process” and “production operation control process” based on the ISO 9001 quality management system, and introduced “FMEA failure mode and effect analysis” to strictly control the design and manufacturing quality of products. In order to implement the quality policy of “on-time delivery, improved yield rate, and customer satisfaction”, we are customer-oriented and immediately convene relevant personnel and suppliers to hold supplier consultation meetings and carry out improvement work for

defective parts. The quality assurance unit also provides quality management and guidance to suppliers. The Company holds monthly quality meetings regularly to discuss the quality goals of each department and issue “Corrective and Preventive Measures Reports” for projects that fail to meet the goals as a basis for continuous improvement, thereby improving the Company's overall operating performance and implementing comprehensive quality management.

#### (5) Complete marketing strategy deployment

The Company adopts a B2B business model, selling products to domestic and foreign distributors, and adopting different sales models and pricing strategies. We conduct sufficient investigations and information collection on distributors in different markets, and use monthly sales data as a basis for regular evaluation and analysis of distributor performance and their loyalty. The Company also actively participates in domestic and international exhibitions to expand new customer base and increase brand exposure. At the same time, it builds a 3D online exhibition hall in response to digital development. In addition, the Company regularly collects information about competitive products in the market and investigates customer satisfaction as a basis for improving customer satisfaction. In terms of after-sales service, the Company provides sound customer service management (including customer complaint handling and repair services) and has established a CRM (Customer Relationship Management) system to record contact visits, customer feedback, and repair service case records, etc. This serves as a database for subsequent usage and product quality tracking, and also as a reference for formulating future product sales and marketing strategies.

### 5. Advantages and disadvantages of development prospects and corresponding countermeasures

#### (1) Favorable factors:

##### A. The global water crisis

The water supply crisis is one of the major risks facing the world in the future, and the risk is increasing year by year. Humanity will face a decline in the quality and quantity of fresh water, and will face competition for resources such as water, food and energy. According to relevant research reports put forward by the United Nations in recent years, due to global warming, the melting of glaciers will endanger the freshwater supply in some areas in the short term, and in the medium and long term it will change the intensity and frequency of global rainfall, increasing the chances of droughts and floods. Therefore, in the future, the pump industry will be able to assist in strengthening human management capabilities for water resources as countries around the world invest in the construction and operation of water resource treatment facilities.

##### B. ESG awareness improvement

Environmental, social and corporate governance (ESG) have gradually become a universal concept, and energy conservation and carbon reduction have become the

primary promotion goals of policies in various countries. The Company had foresight in its early development. We developed rust-free water and silent pumps in the development of mass-produced products, and combined them with microcomputer control protection functions to greatly improve product safety and durability. We were the first in the industry to introduce high-performance composite materials that comply with RoHS2.0 and ISO 22196 antibacterial standards, allowing all consumers to use pure and worry-free water to meet safety and peace of mind requirements. The Company also adheres to the core of ESG, introduces IE3 high-efficiency motors to launch high-efficiency products that exceed national standards, and through clean manufacturing and the use of environmentally friendly materials, produces energy-saving, environmentally friendly, quality award, MIT label and first-class energy-efficient models that lead the industry and continue to contribute to energy conservation and emission reduction.

In addition, various markets have set energy conservation and emission reduction as binding indicators. In order to comprehensively improve resource utilization efficiency, promote total resource management, scientific allocation, comprehensive conservation, and recycling, water resources will also become a rigid binding indicator. In recent years, due to abnormal climate caused by global warming, water resource management has become more difficult around the world, and the demand for water pumps has continued to increase, which is beneficial to the development of related industries and companies.

#### C. Provide diversified products and services in different industrial fields

The Company's water pump products are diverse. Our product line covers booster pumps, multi-stage centrifugal pumps, sewage pumps, and industrial pumps. They can meet the needs of different customers. In addition to being used for domestic water use, they are also important core parts for industrial machine tools or large equipment systems.

Since users' application systems typically cannot afford unexpected and prolonged downtime for maintenance, the Company has successfully developed an innovative cross-industry solution that integrates IoT (Internet of Things) technology with water pumps. This enables customers to monitor and control pump operation data on their machine tools in real time via an app, smartphone, or even a tablet. As a result, necessary maintenance can be predicted in advance, helping to prevent downtime and production losses. In response to the release of Taiwan's net-zero transformation path, in terms of transportation, it is hoped that the market share of electric vehicles will reach 100% by 2040. How to meet the needs of electric vehicles for fast and safe charging is an urgent problem that needs to be solved. The Company is currently actively discussing with the Industrial Technology Research Institute and other units to combine a water pump with a liquid cooling system for DC fast charging guns above 180kW, so that the charging device can still output current stably, quietly and quickly under high power and high

voltage conditions.

(2) Unfavorable factors

- A. The global political and economic situation is highly uncertain, and the risk of political and economic crisis is rising.

In recent years, the international political and economic situation has been unstable, and it has also suffered major impacts such as the Russia-Ukraine war, the Covid-19 epidemic and the international inflation trend. This has caused the upstream and downstream connections of various industries' supply chains to be extremely unsmooth, and hindered the overall market development. The imbalance between supply and demand has led to large differences in market prices, which is easy to trigger low-price competition.

Response measures:

Reduce liabilities, improve corporate asset liquidity, increase cash levels to cope with economic risks, identify and avoid transactions with customers with high financial risks. The Company also deepens its cooperative relationship with customers and consolidates its order sources by leveraging its own process technology and stable product quality, high delivery schedule coordination, instant service and high cost-effective products. We are also actively engaged in product R&D and design, equipment system integration, AIOT and technical service applications across application fields, and are developing diversified product specifications to expand the application of the Company's products and the scope of our services, thereby strengthening the Company's competitiveness.

- B. Market price competition risk

The Company's main sales market is the domestic market, with the majority of sales being domestic water pumps. As there is little difference in the functions and performance of domestic water pumps on the market, and the domestic market is currently saturated, price competition has become the most direct form of competition among peers, resulting in the risk of price competition.

Response measures:

The Company regularly evaluates market and customer needs and adopts differentiated strategies to respond, emphasizing cost-effectiveness and energy efficiency. It also continues to develop new products, strengthen product R&D technology and match instant sales and service systems, and promote its own brands to maintain market competitiveness.

- C. It is not easy to recruit outstanding talent

In addition to maintaining the successfully developed technologies, the Company also needs to continuously innovate and follow up on the development of new products.

Therefore, R&D personnel are particularly important in the water pump industry. Having a stable and excellent R&D team will help the Company maintain its competitive advantage.

Response measures:

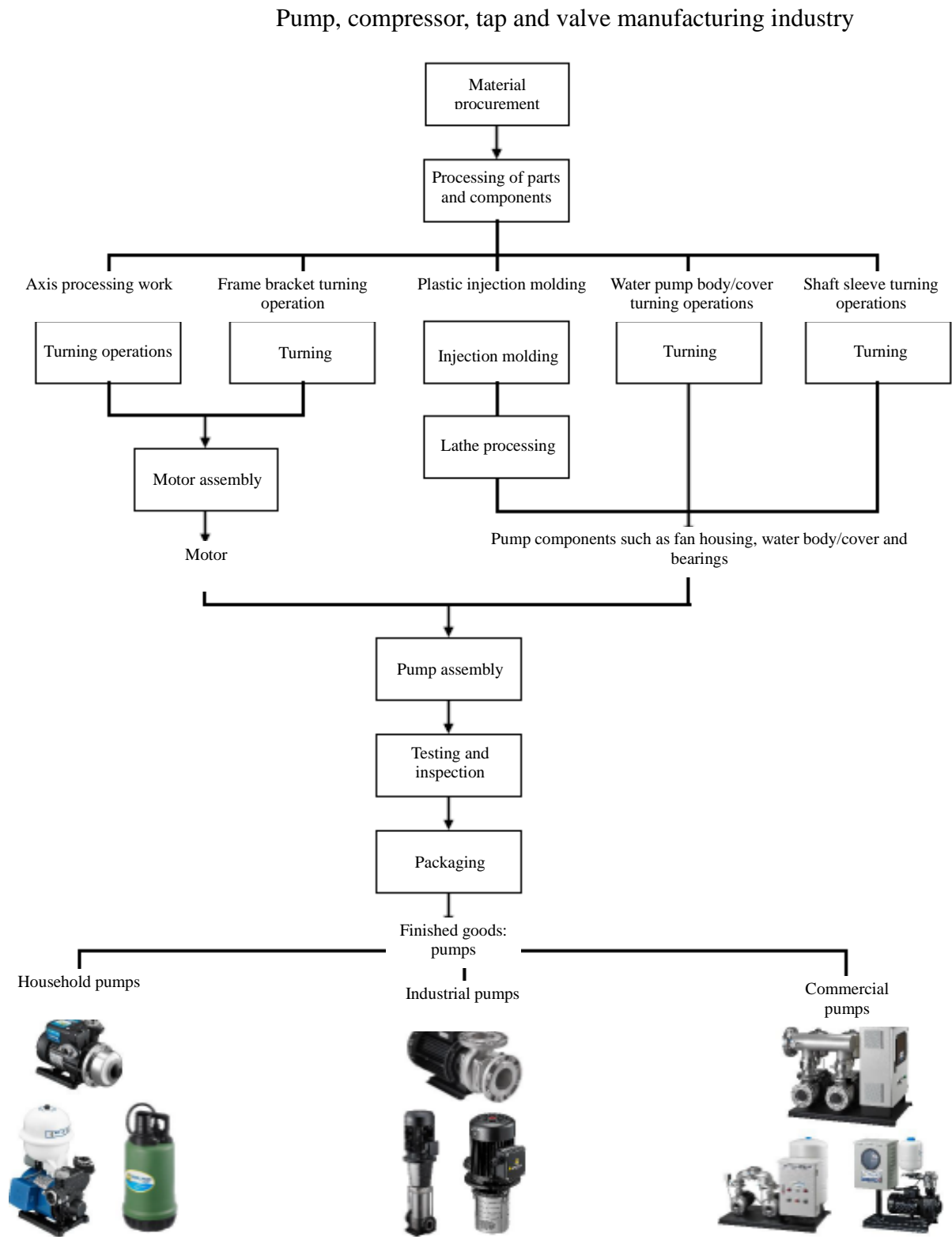
- (A) The focus of technological research and development is on people, so we need to strengthen the cultivation of talents, improve the technical level of R&D personnel through technical exchanges and inheritance of R&D experience, and enable employees to grow with the Company.
- (B) Establish various employee welfare systems, strengthen internal or external training courses, and establish timely communication channels between superiors and subordinates to reduce the turnover rate of R&D talents.
- (C) After the Company enters the capital market, it can enhance its visibility and help attract R&D, marketing, management and other talents to join the Company, thus laying the foundation for the Company's continued growth.

## (II) Important uses and production processes of major products

### 1. Important uses of major products

The Company mainly sells water pump products for household and industrial users, and provides comprehensive water pump professional planning and installation services, as well as maintenance, technical consulting, engineering design and other services. The main products include water pumps, booster pumps, automatic pressure-boosting systems, horizontal multistage centrifugal pumps, computer-controlled variable frequency pressure-stabilizing pumps, vertical multistage submersible pumps, dry-type submersible pumps, variable frequency multistage submersible centrifugal pumps, and water-cooled booster systems (soon to enter mass production). These products are widely used in water supply systems and facilities across various industries, including construction, agriculture, forestry, fisheries, animal husbandry, equipment manufacturing, wholesale and retail, accommodation and food services, entertainment and leisure, power generation and new energy, as well as other service sectors. In addition to standard product offerings, the Company also provides a wide range of customized designs. These not only meet the basic requirements for head and flow combinations in pump applications across different industries, but also allow for detailed adjustments based on factors such as temperature, liquid type, maximum current limitations, specific material requirements for components, and communication interface systems.

2. Production process of major products



Note: The above photos are only representative of product types and not all of our products.

Source: Compiled by the Company

### (III) Supply status of main raw materials

The Company's main production bases are the Sanzhi plant in New Taipei City, the Zhengyi plant in Luzhu, Kaohsiung, and the Suzhou plant of its overseas subsidiary (Suzhou Hualeshi). The Company maintains a good, stable and long-term cooperative relationship with major raw material suppliers, and strictly controls quality and delivery time to ensure a worry-free supply of major raw materials. The supply status of the main raw materials is as follows:

Major raw materials	Major suppliers	Supply condition
Electric machine/motors	Domestic manufacturers	Good
Pump body	Domestic manufacturers	Good
Impeller	Domestic manufacturers	Good
Plastics/wires	Domestic manufacturers	Good
Stator and rotor	Domestic manufacturers	Good
Supplementary materials	Domestic manufacturers	Good

(IV) Names of customers who have accounted for more than 10% of the total purchase (sales) in any of the past two years and their purchase (sales) amounts and proportions:

1. Information on major suppliers in the most recent two years: In the most recent two years, there were no suppliers that accounted for more than 10% of the Company's total purchases.
2. Information on major sales customers in the most recent two years: In the most recent two years, the Company had no customers that accounted for more than 10% of total sales.

### III. Number of employees in the industry in the most recent two years and up to the date of publication of the annual report

March 31, 2025

Year		2023	2024	As of March 31, 2025
Number of employees	Direct personnel	172	180	180
	Indirect personnel	222	268	276
	Total	394	448	456
Average age		40.1	40.6	40.9
Average years of service		7.7	7.2	7.4
Educational background distribution ratio	PhD	2	3	5
	Master's degree	26	35	36
	University	128	170	181
	Specialist	68	67	64
	High school (included)	126	127	125
	High school level or below	44	46	46
	Total	394	448	456

### IV. Information on environmental protection expenditure

The losses incurred due to environmental pollution in recent years and up to the date of publication of the annual report (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the number of the punishment, the provisions of the violation, the content of the violation, and the content of the punishment should be listed) and the estimated amount and response measures that

may occur at present and in the future should be disclosed. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: The Company has not suffered any losses due to environmental pollution in recent years and up to the date of publication of the annual report.

## **V. Labor-capital relations**

- (I) List the Company's employee welfare measures, further education, training, retirement system and its implementation status, as well as labor-management agreements and various employee rights protection measures

1. Employee welfare measures and their implementation:

[Labor Pension Fund Contribution]

- (1) Old system pension: 2% of the monthly salary of those with old system pension service will be deposited monthly into the old system pension reserve account of Bank of Taiwan. Employees who have no old system pension service since July 2023 will obtain the settlement approval letter from the New Taipei City Government in January 2024, and their old system pension account will be officially cancelled in April 2024.
- (2) New pension system: 6% will be allocated monthly to the individual pension account based on the employee's labor retirement insurance level.

[Labor, health insurance]

Employees shall participate in labor insurance and national health insurance in accordance with legal regulations from the date of employment, and enjoy the right to insurance benefits in accordance with relevant laws and regulations.

[Group insurance]

In addition to labor and health insurance, there are also group insurance and overseas travel insurance to provide employees with additional protection in the event of accidental injury or business trips.

[Year-end bonus]

- (1) NT\$1,860,000 was distributed during the Dragon Boat Festival
- (2) NT\$1,905,000 was distributed during Mid-Autumn Festival
- (3) Gift money and condolences money totaling NT\$110,100
- (4) The accumulated benefit expense in 2024 was NT\$3,875,100.

[Year-end bonus]

The year-end bonus is calculated based on annual operations and individual performance to reward employees for their hard work throughout the year.

[Health examination]

We conduct regular employee health checks (currently once every two years) and promote employee health care activities such as walking activities, health promotion (e-newsletters), weight loss activities, healthy exercise activities, etc.

[Employee bonus]

Establish a comprehensive and diversified reward system including salary, benefits, bonuses, dividends, employee stock options, etc. to take care of employees and balance their work and life quality, and make it more in line with the expectations of employees and potential professional talents.



- (1) Annual salary adjustment: basic salary increased to NT\$30,000; additional adjustments were made based on 2024 assessment, seniority, salary range and other comprehensive considerations. The total number of people receiving salary increases was 212, with an average increase of 5.8%.
- (2) Employee bonus: The annual profit distribution is calculated based on the comprehensive assessment and rank, and is shared by all employees. In July 2024, a total of 355 people were paid.
- (3) Employee share subscription: Before listing in December 2024, a total of 146 employee shareholders were added.

[Education and training]

In terms of talent development, we assist our employees in building professional knowledge and skills through internal training, external training and internship programs, including: new employee training, on-the-job training, labor safety and health education and training, professional courses and various job-related external training courses; through education and training, professional knowledge and skills are gradually built up, and employees can also apply to participate in education and training organized by domestic training units or external professional organizations according to their own job requirements.

[Employee benefits]

Every month, employees contribute 0.5% of their salary and the Company contributes 0.05% of its turnover to the Welfare Committee. The Welfare Committee then distributes birthday gifts, festival gifts (Labor Day, Dragon Boat Festival, Mid-Autumn Festival), various gifts, condolence money and other welfare items according to the annual budget.

- (1) NT\$424,000 of birthday gift money was distributed
- (2) NT\$770,000 of labor gift money was distributed
- (3) NT\$400,000 of Dragon Boat Festival gift money was distributed
- (4) Mid-autumn Festival bonus totaling NT\$660,800
- (5) Gift money and condolences money totaling NT\$61,500
- (6) NT\$1,275,000 for Family Day
- (7) Accumulated expenses amounted to NT\$3,591,300 in 2024.

[Provide leave that is superior than what is required by the Labor Standards Act]

In 2024, 4 hours of return leave, 62 hours of volunteer leave, and 157.5 hours of vitality leave were used.

[Maternity leave]

In 2024, 11 people applied for parental leave, and 8 of them had been reinstated by the end of 2024.

## 2. Employee training and education

[Internal training]

- (1) New employee training: This training is arranged by the HR department when new employees join the company. Through a series of company history, important events, management systems and product introductions, new employees can have a comprehensive understanding of the Company. In 2024, a total of 179 people completed the new employee training.
- (2) Professional functional training: We arrange training courses related to product development,

quality management, pump overview, work stress relief, etc. In 2024, we held 169 education and training courses, totaling 1,418 participants and 4,045 hours, with an average of 23.9 hours. The breakdown for males and females is 14.8 hours and 9.1 hours, respectively.

- (3) Entry-level's Supervisor Training: Arranged department-level managers from various departments to conduct "job coaching and subordinate training" to help them understand the thinking of different generations and learn how to lead new employees from different generations. A total of 38 people participated.

[External training]

- (1) On-the-job training: Training courses for employees in business, product development, management, etc. related to their job expertise.
- (2) ESG Course: Employees involved in report writing will learn about the importance and trend of ESG through the course, as well as how to communicate with the outside world through sustainability reports and the impact of ESG on the future development of the Company. In 2024, the Company arranged external training on ESG greenhouse gas inventory, totaling 6 persons and 52 hours.
- (3) Retraining: We arrange regular retraining for employees with occupational safety (fire prevention, first aid, administrator) and professional (overhead crane, forklift, etc.) certificates, and provide professional allowances after obtaining the certificates. In 2024, a total of 40 employees received initial and refresher retraining.
- (4) Internship plan: From February to June 2024, four interns from the Department of Business Administration at Tamkang University will be doing their internships in the International Business Department, Sanzhi Plant, and Management Department in their senior year. They will combine the theories and knowledge acquired in school with practical work and the workplace. Before the end of the semester, the Dean of the Department of Business Administration will be invited to share their internship experiences.

### 3. Employee retirement system and its implementation

- (1) Old system pension: 2% of the monthly salary of those with old system pension service will be deposited monthly into the old system pension reserve account of Bank of Taiwan. Employees who have no old system pension service since July 2023 will obtain the settlement approval letter from the New Taipei City Government in January 2024, and their old system pension account will be officially cancelled in April 2024.
- (2) Employees who started working under the new system on July 1, 2005, and employees who were originally under the old system and chose to join the new system, will have 6% of their total salary set aside as a monthly retirement reserve fund and deposit it into the employee retirement account in accordance with the "Labor Pension Act".
- (3) In accordance with the Labor Law of the People's Republic of China, our mainland subsidiaries set aside a certain percentage of the total employee salary as pension insurance every month. Part of the amount is transferred to the social pooling fund, which is managed and used by the government, and the rest is transferred to the employees' personal accounts to ensure their basic living needs in old age and provide them with a stable and reliable source of income.

### 4. Labor-management agreements and various employee rights protection measures

[Labor-management dispute]

All of the Company's regulations are in compliance with the Labor Standards Act, and no labor-

capital disputes have occurred from 2024 to the date of publication of the annual report.

#### [Legal regulations]

##### Internal policy:

- (1) There are 21 internal management regulations (including: work rules, labor safety and health work codes, business trips, recruitment, job transfers, assessments, salary operations, rewards and punishments, long-term assignments, etc.).
- (2) Promote the advocacy of illegal infringements in the workplace, establish reporting windows and set up investigation teams.

##### External compliance:

- (1) General affairs: Labor Standards Act, Employment Services Act, Labor Safety and Health Act, Civil Law, Vocational Training Act, Employer's Permit and Management Measures for Employers to Hire Foreigners, Labor Incidents Act, etc.
- (2) Interviews and resignation: Gender Equality in Employment Act, Act on Protection of Rights of Persons with Disabilities, Act on Protection from Mass Layoffs, Act on Settlement of Labor-Management Disputes, etc.
- (3) Employee rights: Labor Insurance Regulations, National Health Insurance Law, Employee Welfare Insurance Regulations, Occupational Accident Labor Protection Law, Personal Data Protection Law, etc.

#### [Workplace safety]

For the four major labor health protection plans (human-caused hazard prevention plan, abnormal workload-induced disease prevention plan, job-related illegal infringement prevention plan, and maternal health protection plan), please refer to pages 81~84 of this annual report for relevant occupational safety instructions.

#### [Employee healthcare]

The implementation in 2024 was as follows:

- (1) 10 sessions of muscle gain movement courses participated by 203 people
- (2) AI training and motivation: 153 people participated, burning a total of 1,378,900 calories and reducing carbon emissions by 5,384.07 kg.
- (3) The e-newsletter contains 12 articles in total: How to quickly respond to health emergencies, how to understand delayed onset muscle soreness (DOMS), how to understand illegal infringements in the workplace, how to exercise happily without going hungry, and the must-know first aid tips, etc.
- (4) Pregnancy package: 6 people in total
- (5) Sustainable Healthy Workplace Activities: Stress Relief Course\_Reconciling with Stress
  - Kaohsiung: Mental relaxation course on May 22, 2024, participated by 87 people
  - Taichung: Mental relaxation course on July 16, 2024, participated by 17 people
  - Sanzhi: Psychological stress relief course on July 17, 2024, with 19 participants; October 16 body stretching course, with 126 participants

#### [Labor-management meeting]

The Company has established internal management regulations and complies with external laws and regulations. The content clearly stipulates the rights, obligations and welfare items of employees, and holds labor-management meetings regularly (once a quarter). In 2024, the head

office (including the Sanzhi plant) and the Kaohsiung Zhengyi plant each held four labor-management meetings. During the meetings, matters such as the events, extended working hours, the revision of the Gender Equality in Employment Act and the promotion of sexual harassment prevention measures, and the implementation notice of modified working hours were discussed and reached through the labor-management meetings, making the communication channel between labor and management smooth.

[Employee satisfaction survey]

A questionnaire was designed around core topics that employees care most about, covering seven key dimensions: compensation and benefits, personal development, work value, organizational collaboration, leadership style, corporate identity, and overall company performance. The purpose was to understand the Company's strengths and areas for improvement. In fiscal year 2024, comprehensive employee satisfaction surveys were conducted in June and November. The response rate increased by 27%, with 125 more participants, and the average score rose from 3.5 to 3.6. Scores across all dimensions improved, with the most notable growth seen in compensation, corporate identity, and overall satisfaction, indicating the effectiveness of the Company's ongoing efforts to enhance employee welfare. Recognizing employees as key assets, the Company will continue to implement additional welfare initiatives. On February 26, 2025, the Board of Directors approved the issuance of new restricted employee shares, which has been submitted for discussion at the 2025 Annual General Meeting. Additionally, the Company is planning to establish an employee stock ownership trust to further incentivize employees and retain top talent, thereby enhancing the overall employee benefits system.

(II) The losses suffered by the Company due to labor disputes in the most recent two years and up to the date of publication of the annual report, and the estimated amount and response measures that may occur currently and in the future. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained:

1. Losses incurred due to labor disputes: No labor disputes resulting in losses have occurred in the past two years and up to the date of publication of the annual report.
2. Estimated amount of losses and response measures from current and future labor disputes:

As always, Walrus Pump upholds its people-centered philosophy. In addition to holding regular labor-management meetings each quarter at the Sanzhi and Zhengyi plants, the Company has also implemented a workplace sexual harassment complaint and prevention mechanism, as well as one-on-one communication channels to clarify positions and align perspectives. These measures aim to minimize misunderstandings and disputes through open dialogue. Walrus Pump continues to stay attuned to generational trends, committed to advancing product innovation and talent development, while fostering a core culture centered on positivity, shared success, and continuous improvement.

## VI. Information security management

- (I) Describe the information and communications security risk management framework, information and communications security policies, specific management plans, and resources invested in information and communications security management, etc.

### 1. Information and Communications Security Risk Management Framework

The Company has established a “Digital Development Department” as an independent unit not subordinate to any user department. Under its structure is the “Information Security Section”, which is responsible for overseeing and implementing the Company’s information security policies. This includes formulating internal information security standards and systems, planning and executing information security operations, promoting and enforcing security policies, disseminating information security messages, and raising employee awareness of information security. The section also gathers and improves technologies, products, or procedures related to the performance and effectiveness of the organization’s information security management system, and makes timely adjustments as needed to strengthen the Company’s information security management and ensure the safety of data, systems, and networks. The Company regularly submits information security management status and sustainability reports to the Board of Directors every year. The most recent information and communications security management situation was submitted to the Board of Directors together with the 2023 Sustainability Report on August 9, 2024.

### 2. Information Security Policy

#### (1) Objectives of information security:

- A.Ensure the accuracy, availability, integrity and confidentiality of the Company's information and communication operations.
- B.Avoiding threats of internal and external information security incidents. When an accident occurs, we can respond quickly and resume normal operation in the shortest possible time, thus reducing the damage caused by the accident.
- C.Establish a safe and reliable computerized operating environment to ensure the security of the company's data, systems, equipment and networks, so as to protect the Company's interests and the sustainable operation of each unit's information system.

#### (2) Scope of information security:

- A.Personnel management and information security education and training.
- B.Computer system security management.
- C.Network security management.
- D.System access control.
- E. System development and maintenance of safety management.
- F. Information asset security management.
- G.Physical and environmental safety management.
- H.Management of the sustainable operation plan of the information system.
- I.Information security audit.

#### (3) Principles and standards of information security:

- A.Regularly carry out information security education training and promotion, including information security policies, information security laws and regulations, information security operating procedures, and how to properly use information technology facilities, so as to encourage employees to understand the importance of information security and various possible security risks, so as to enhance employees' information security awareness and comply with information security regulations.

B.To prevent information systems and files from being infected by computer viruses, detection and prevention measures should be taken for computer viruses, and an active intrusion detection system should be established for intrusions and malicious attacks to ensure the security of computer data.

C.To prevent the Company from encountering natural disasters or major man-made events that would cause interruptions to important information assets and key business or communication systems, a policy for the sustainable operation of information systems should be established.

### 3. Specific management plan

Internet security control (Preventing external intrusion)	Set up a firewall
	Regularly scan for virus in the computer system and data storage media.
	The use of various network services should be carried out in accordance with the information security policy.
	Regularly review the SystemLog of each network service item to track abnormal situations.
Data access control (data leakage prevention)	Computer equipment shall be maintained by dedicated personnel and have account numbers and passwords set.
	Different access permissions are granted according to the functions.
	The original authority of the transferred personnel will be revoked.
	Confidential, sensitive information and copyrighted software should be removed or overwritten before equipment is scrapped.
	Remote access to the management information system must be subject to appropriate approval.
Contingency recovery mechanism (daily operation maintenance)	Regularly review emergency response plans.
	System recovery is conducted annually.
	Establish a system backup mechanism and implement remote backup.
	Regularly review computer network security control measures.
Participate in the information security alliance	By joining the cybersecurity joint defense organization, we can obtain timely external cybersecurity information sharing and assistance in responding to cybersecurity incidents.
Information security promotion, education and training, and auditing	Disseminate information security information at any time to enhance employees' information security awareness.
	Strengthen internal information security education and training, hold information security lectures, simulation exercises and tests regularly to ensure that employees are aware of the latest information security threats and prevention measures.
	Promote the acquisition of external cybersecurity courses and certifications to enhance the cybersecurity expertise of information personnel.
	The Company conducts information and communication security inspections regularly every year and report to the general manager.
Information security incident handling	Formulate a disaster recovery plan.
	Regular simulations are conducted when no event occurs.
	Subsequently, a disaster recovery plan implementation report will be written for review and improvement.
Information Security Insurance	Given that information security insurance is an emerging type of insurance and the Company's customers are mainly corporate customers with no risk of custody of consumer personal information, and taking into account the comprehensive effects of issues such as insurance coverage, claims coverage, claims identification, and qualifications of identification agencies, the Company will not purchase information security insurance for the time being after evaluation.

	<p>However, in response to the challenges facing information security, such as APT advanced persistent attacks, DDoS attacks, ransomware, social engineering attacks, information theft and other information security issues, relevant measures have been taken:</p> <p>In addition to the aforementioned publicity and education training, we also arrange to carry out security testing, information and communications security health checks, social security and information security incident drills to strengthen the Company's colleagues' awareness of information security crises and the response capabilities of information security personnel, in order to prevent in advance and effectively detect and block the spread of the crisis in the first place.</p>
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#### 4. Resources invested in information and communication security management

Resources invested in information and communications security management in 2024:

- (1) Establishment of information security team: Two information security personnel have been deployed to be responsible for information security policy implementation, information security incident investigation and response, threat intelligence analysis, risk and vulnerability management, information security awareness training, and evaluation and introduction of new information security technologies and architectures.
- (2) Investment in information security equipment and authorization: Investment in information security-related anti-virus authorization, spam filtering updates, maintenance contracts and equipment totaled NT\$5.08 million.
- (3) Information security cooperation: We have joined the Taiwan Computer Crisis and Coordination Center (TWCERT/CC) to ensure timely access to external information security intelligence and support for responding to information security incidents.
- (4) Information security risk review: The Company holds information security meetings with third-party professional vendors on a monthly basis to review and correct information security risks.
- (5) Drills for recovery of disasters: Two disaster drills were conducted during the year to verify the feasibility of the backup and recovery mechanism.
- (6) Anti-virus protection: Through anti-virus endpoint protection mechanisms, more than 2,000 malicious attacks were successfully blocked in 2024.
- (7) Protection of spam mail: Through email protection, 5,000 spam emails were successfully blocked in 2024.
- (8) Information security check: An annual information security check is performed once through vulnerability scanning, website penetration testing, and phishing emails.
- (9) Information security awareness: Conduct information security promotions from time to time through internal notifications and emails, with a total of 12 such notifications per year.
- (10) Social engineering drills and education and training: We conducted three rounds of social engineering drills during the year and provided 360 hours of education and training to core system personnel.
- (11) Professional training and certification: During the year, relevant IT personnel obtained a total of 4 information security-related certifications and received a total of 30 hours of information security professional training.

- (II) List the losses, possible impacts, and response measures incurred due to major information and communications security incidents in the most recent two years and up to the date of publication of the annual report. If a reasonable estimate is not possible, the fact that the reasonable estimate cannot be made shall be explained:

In recent years, information security incidents have occurred frequently. However, under the protection of information security policies, the company has not suffered any losses due to major information security incidents in the past two years and up to the date of publication of the annual report.

## VII. Major contracts

List the parties, main contents, restrictive clauses and contract start and end dates of supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts that may affect shareholders' interests that are still valid and expired in the most recent year as of the publication date of the annual report:

Contractual nature	The concerned party	Date of contract signing and termination	Main content	Restrictive clauses
Contract	VERIZON CONSTRUCTION CO., LTD.	2022/06/22~2025/06/30	New construction project for Huanqiu plant in Kaohsiung	15-year structural warranty, 5-year waterproofing, 2-year civil engineering warranty
Contract	Construction & Electro-Mechanical	2023/09/28~2025/04/30	Mechanical and electrical engineering for Huanqiu Plant in Kaohsiung	One-year warranty
Property rights	Taiwan Sugar Corporation	2016/09/02~2046/06/29	The land of Huanqiu Plant in Luzhu, Kaohsiung was established as superficies	-
Leasing	You Chang Investment Co., Ltd.	2022/01/01~2027/12/31	Kaohsiung Luzhu Factory Rental	-
Leasing	GOLDEN LUCKY MACHINERY CO., LTD.	2022/09/06~2027/09/05	Sanchong Branch Office Building Rental	-
Leasing	Kinpo Electronics, Inc.	2024/05/10~2026/05/31	Nanjing Sanmin Office's building rental	-
Authorization	Industrial Technology Research Institute	2023/04/20~2025/04/19	Technology Licensing	-
Trading	KINMAX TECHNOLOGY INC.	2023/08/22~2028/09/26	High-capacity storage equipment	Five-year warranty
Trading	TAI YU & CO., LTD.	2024/01/08~2025/07/28	Environmental stress test machine	One-year warranty
Trading	Guang Hsin Engineering Co., Ltd.	2022/02/18~2027/04/07	Variable speed rotary air compressor	Five-year warranty
Joint credit	First Commercial Bank, Taiwan Small and Medium Enterprise Bank, Hua Nan Commercial Bank,	2023/04/14~2027/05/31	Signed a joint credit agreement with First Commercial Bank and other banks, with a	-



Contractual nature	The concerned party	Date of contract signing and termination	Main content	Restrictive clauses
	Changhua Commercial Bank, Mega International Commercial Bank, Taichung Commercial Bank...		total credit line of NT\$1,072 million	
Trading	The Japan Steel Works, Ltd.	2024/11/15~2025/06/30	Procurement of equipment for Huanqiu Plant in Kaohsiung	According to the contract, the warranty period of each part is different
Trading	Century Trading Corp.	2024/11/15~2025/06/30	Procurement of equipment for Huanqiu Plant in Kaohsiung	Two-year warranty
Contract	Shixiang Engineering Industry Co., Ltd.	2025/02/05~2025/06/30	Double Track Overhead Crane Project of Huanqiu Plant in Kaohsiung	Two-year warranty

## Five. Review and analysis of financial status and financial performance and risk issues

### I. Financial position

#### (I) Financial position:

Unit: NTD thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	958,819	858,372	100,447	11.70
Property, plant and equipment	1,119,647	824,912	294,735	35.73
Right-of-use assets	229,812	235,652	(5,840)	(2.48)
Intangible assets	7,105	9,603	(2,498)	(26.01)
Other non-current assets	73,582	63,995	9,587	14.98
Total assets	2,388,965	1,992,534	396,431	19.90
Current liabilities	705,527	766,391	(60,864)	(7.94)
Non-current liabilities	727,326	589,467	137,859	23.39
Total liabilities	1,432,853	1,355,858	76,995	5.68
Share capital	403,491	353,491	50,000	14.14
Capital reserve	403,603	181,313	222,290	122.60
Retained earnings	149,018	99,429	49,589	49.87
Total equity	956,112	636,676	319,436	50.17

The main reasons and impacts of major changes (changes of more than 20% between the previous and the next periods and changes of more than NT\$10 million) are analyzed and explained as follows:

1. Real estate, plant and equipment: This is due to the increase in the amount of newly built plant and purchased equipment compared to 2023.
2. Non-current liabilities: due to the increase in syndicated loans for the construction of new factories.
3. Capital reserve: due to the increase in the premium issuance amount of the cash capital increase before listing on the OTC market.
4. Retained earnings: due to the increase in profits in this period and the provision of legal reserves.
5. Total equity: Mainly due to the increase in capital reserve premium and retained earnings recognized in cash capital increase before listing.

- (II) Impact of major changes in financial status in the last two years and future response plans: The above changes have no significant impact on the Company.

## II. Financial performance

### (I) Analysis of financial performance:

Unit: NTD thousands; %

Item \ Year	2024	2023	Increase (decrease) amount	Percentage of change (%)
Operating revenue	1,612,759	1,404,797	207,962	14.80
Operating cost	1,149,027	1,015,289	133,738	13.17
Operating gross profit	463,732	389,508	74,224	19.06
Operating expenses	354,176	303,804	50,372	16.58
Operating profit	109,556	85,704	23,852	27.83
Non-operating income and expenses	6,453	(9,044)	15,497	171.35
Net income for the period	101,158	73,200	27,958	38.19
Total comprehensive income for the period	103,705	72,496	31,209	43.05
<p>The main reasons and impacts of the significant changes in operating income, operating profit and pre-tax net profit in the most recent two years (changes between the previous and subsequent periods of more than 20% and the amount of change is NT\$10 million) are analyzed as follows:</p> <ol style="list-style-type: none"> <li>1. Operating profit: due to the increase in revenue and operating gross profit in the current period.</li> <li>2. Non-operating income and expenses: This is due to the increase in exchange gains due to exchange rate fluctuations compared to 2023.</li> <li>3. The increase in net profit and total comprehensive profit or loss for the current period was mainly due to the increase in gross operating profit and non-operating income (exchange gain).</li> </ol>				

### (II) Expected sales volume and its basis, possible impact on the Company's future financial operations and response plans: Not applicable.

## III. Cash flows

### (I) Analysis of cash flow changes in the last two years:

Unit: NTD thousands; %

Item \ Year	2024	2023	Increase (decrease) amount	Increase (decrease) ratio (%)
Net cash inflow (outflow) from operating activities	218,522	201,391	17,131	8.51
Net cash inflow (outflow) from investing activities	(267,263)	(339,622)	(72,359)	(21.31)
Net cash inflow (outflow) from financing activities	90,046	207,699	(117,653)	(56.65)
<p>Analysis of changes in cash flow:</p> <ol style="list-style-type: none"> <li>1. Net cash outflow from investing activities: The decrease in 2024 compared to 2023 was due to the decrease in cash inflow from the amount of financial assets measured at amortized cost in 2024.</li> <li>2. Net cash inflow from financing activities: The decrease in 2024 compared to 2023 was due to the repayment of short-term loans.</li> </ol>				

(II) Plan to improve liquidity shortage: The Company is not in a cash shortage situation and is not at risk of liquidity shortage.

(III) Analysis of cash flow in the coming year:

Unit: NTD thousands

Beginning balance of cash①	Estimated net cash flow from operating activities for the year②	Estimated cash outflow for the whole year③	The estimated cash balance (deficit) amount①+②-③	Remedial measures for expected cash shortage	
				Investment plan	Financial planning
253,819	640,573	(674,683)	219,709	-	-
<p>1. Analysis of future changes in cash flow:</p> <p>(1) Operating activities: mainly due to the expected increase in operating profit.</p> <p>(2) Investment activities: mainly the construction costs related to the construction of new factory buildings and production equipment.</p> <p>(3) Financing activities: Mainly due to distribution cash dividends and other financing activities.</p> <p>2. Estimated remedial measures for cash shortage and liquidity analysis: There is no cash shortage problem at present.</p>					

#### **IV. Impact of major capital expenditures on financial operations in recent years**

The main capital expenditure in 2024 was: Expanded the Huanqiu Plant in Luzhu, Kaohsiung.

(I) Expected benefits:

1. The new factory building planned in this plant construction project will have four floors above ground. The first floor will be used for production workshops, electromechanical equipment space and storage space, which can reduce the related costs of renting warehouses. The second floor will be used for basic power distribution mechanical facilities and is not actually used space. Some floors will be used to expand office space and accommodate the original production lines with electromechanical equipment space. In order to meet the Company's product development and testing needs, we will also plan to build a test site in the future. In addition to independently testing the certification standards of various products, we will also be able to directly demonstrate the Company's technical level to customers who visit the factory. In addition, after the construction of the factory is completed and the existing production lines are rearranged and configured more efficiently, the Company's self-manufactured production capacity can be further improved to meet customer needs, further driving the momentum of revenue growth.
2. Possible risks: If the capacity utilization rate of the production line is not high after it is put into use, it will affect the profitability of the main business.
3. Response measures: Strengthen the business team, expand operational reach and optimize product portfolio to increase profitability.

(II) Impact on finance:

The construction cost of Huanqiu's new factory in Kaohsiung is NT\$742,000 thousand (tax included). The capital for this expansion project is financed by self-owned funds or bank loans. The depreciation of the factory building is averaged after deducting the residual value (10%) from the useful life of 55 years, so the monthly depreciation cost is approximately NT\$1,012 thousand. After evaluation, the annual depreciation cost of NT\$12,144 thousand accounts for 11.08% of the Company's consolidated operating profit of NT\$109,556 thousand in 2024, which is still within an acceptable range for the Company's financial burden.

(III) Impact on business:

This factory expansion plan is mainly to respond to the growth of existing businesses and the development of new product application areas. Due to the current inadequate factory space planning, the Company first started the construction of Building A in 2022. After the construction is completed, some production lines will be gradually transferred to Building B. In the future, it is planned to build Building C as an office building, which will be used for factory production, R&D testing, and manufacturing operations.

#### **V. Recent investment policies, main reasons for profit or loss, improvement plans and investment plans for the next year**

- (I) Reinvestment Policy: The Company has established the "Regulations Governing the Acquisition and Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and

Disposal of Assets by Public Companies” established by the competent authorities as the basis for the Company's reinvestment business, and will regularly monitor the operating conditions of subsidiaries and grasp the relevant business and financial conditions in accordance with the “Supervision and Management of Subsidiaries” stipulated in the internal management system.

(II) The main reasons for profit or loss in the most recent year and improvement plan:

December 31, 2024 Unit: NTD thousands

Name of the investment company	Name of investee	Main business Item	Investee company's profit (loss) for the current period	Main reasons for profit or loss	Improvement plan
WALRUS PUMP Co., Ltd.	SUZHOU WALRUS PUMP CO., LTD.	Manufacturing and sale of water pump	5,342	The business is steadily growing	None

(III) Reinvestment plan in the next year: None.

## VI. Risk items should be analyzed and evaluated for the following items in the most recent year and up to the date of publication of the annual report:

Each industry organizes its management structure according to its business model. Its risk management policy is based on the operating principles of each company to establish a risk management mechanism for risk identification, measurement, supervision and control of existing and potential risks, so as to achieve the goal of rationalizing risks and rewards within the acceptable risk range.

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profits and losses and future response measures:

### 1. Changes in interest rate

Unit: NTD thousands

Item \ Year	2024	2023
Net interest income (expense)	(4,818)	(9,643)
Net operating income	1,612,759	1,404,797
Ratio to net operating income	(0.30%)	(0.69%)

Source: Figures for 2024 and 2023 were audited and certified by CPAs.

The Company's net interest income (expense) in 2024 and 2023 was NT\$(4,818) thousand and NT\$(9,643) thousand, respectively, accounting for (0.30%) and (0.69%) of the net operating income in each year, respectively. Therefore, the change in interest rates has no significant impact on the Company's profit or loss.

The Company also pays close attention to interest rate changes at any time and takes necessary measures to reduce the impact of interest rate changes on the Company's profit and loss. It also maintains close contact and good relations with banks to obtain more favorable interest rates when necessary to reduce interest expenses.

## 2. Changes in exchange rate

Unit: NTD Thousands

Item \ Year	2024	2023
Exchange gain	9,757	714
Net operating income	1,612,759	1,404,797
Ratio to net operating income	0.60%	0.05%

Source: Figures for 2024 and 2023 were audited and certified by CPAs.

The Company's exchange gains in 2024 and 2023 were NT\$9,757 thousand and NT\$714 thousand, respectively, accounting for 0.60% and 0.05% of the net operating income in each year, respectively. Therefore, the exchange rate changes have no significant impact on the Company's profit or loss. The Company's foreign currency assets and liabilities are held in a similar manner as well as with similar payment periods, which can offset market risks and create a natural risk hedging effect. It is not expected that significant market risks will occur.

The Company will also continue to understand the pulse of international finance, grasp the trend of international exchange rate changes, and maintain close contact with financial institutions so as to obtain more extensive foreign exchange information and more favorable exchange rate quotations so as to take timely response measures to exchange rate fluctuations. If necessary, it will appropriately use hedging operations such as forward foreign exchange to reduce the risk of exchange rate fluctuations.

## 3. Inflation

The Company's quotations to customers are adjusted flexibly based on market price fluctuations. In the future, the Company will continue to pay close attention to the inflation situation, maintain good interactive relationships with suppliers and customers, adjust procurement and pricing strategies in a timely manner, and take appropriate measures when necessary to reduce the impact of inflation and other economic situations on the Company's profits and losses.

- (II) Policies for high-risk, high-leverage investments, lending funds to others, endorsements and derivative transactions, the main reasons for profits or losses, and future response measures:

The Company has not engaged in high-risk, high-leverage investments in recent years, nor has it lent funds to others or provided guarantees or engaged in derivative commodity transactions. In addition, the Company has established “Procedures for Acquisition or Disposal of Assets”, “Management of Funds Lending to Others”, and “Management of Endorsement Guarantees”, which have been approved by the shareholders' meeting. However, if necessary in the future, it will be handled in accordance with the established relevant operating procedures and various information will be announced promptly and accurately in accordance with legal regulations.

- (III) Future R&D plans and estimated R&D expenses:

Please refer to “Four. Operational Overview, I. Business Content, (III) Technology and R&D Overview” for the Company's future R&D plans and related expenditures.

- (IV) The impact of major domestic and international policy and legal changes on the Company's financial business and the corresponding measures:

The Company operates in compliance with relevant domestic and international laws and regulations, and pays close attention to domestic and international policy developments and regulatory trends. We periodically assign professionals to receive internal and external training courses, or consult relevant professionals or institutions when necessary to respond to domestic and international policy and legal changes. In recent years and up to the date of publication of this

annual report, changes in domestic and foreign policies and laws have no material adverse impact on the Company's finances and business.

- (V) The impact of technological changes (including information and communications security risks) and industry changes on the Company's financial business and the corresponding measures:

The Company keeps a close eye on market changes, industry development trends, and prevents information security risks, so as to adjust the Company's business strategy in a timely manner and provide products that meet market demand. In the most recent year and up to the date of publication of the annual report, the Company has not been affected by any technological or industrial changes that have any impact on its financial operations.

- (VI) Impact of corporate image change on corporate crisis management and countermeasures:

Since its establishment, the company has been committed to maintaining its corporate image and improving its internal systems and capital structure, which has a positive impact on the company's reputation. The Company continues to uphold the ethical and sustainable management, implement corporate governance and social responsibility, and maintain good corporate image.

- (VII) The expected benefits, possible risks and countermeasures for mergers and acquisitions:

In the most recent year and as of the date of publication of the annual report, the Company has no plans for merger or acquisition of other companies.

- (VIII) The expected benefits, possible risks and countermeasures for the expansion of the plant:

The expansion of the factory will enable the Company to increase its production capacity to win more orders, which will benefit its revenue and profits, and gain a more favorable industry position. It will also significantly reduce production costs after reaching a certain economic scale. However, the life cycle of pump products is not long, and the fluctuation range of market demand is relatively stable. When the global economy is not as good as expected, there may be temporary idle production capacity. At this time, the annual depreciation of factory equipment will put pressure on the Company's operations. As the new plant has not been completed in the most recent year and as of the date of publication of the annual report, the benefits of the current factory expansion are still in line with the Company's expectations.

- (IX) Risks and countermeasures faced by concentrated purchases or sales:

The Company purchases some of its products from two or more co-operating suppliers to ensure purchasing flexibility. Product sales are not concentrated on specific customers. Therefore, the Company has no concentrated purchases or sales in recent years and up to the date of printing of this annual report.

- (X) The impact, risks and countermeasures of large-scale transfer or replacement of shares by directors or major shareholders holding more than 10% of the shares on the Company:

There has been no large-scale transfer or replacement of shares by directors or major shareholders holding more than 10% of the shares of the Company in the most recent year and as of the date of publication of the annual report.

- (XI) Impacts, risks and countermeasures of changes in management rights on the company:

There have been no changes in the Company's management rights in the most recent year and up to the date of publication of this annual report.

- (XII) Litigation or non-litigation events shall list the major litigation, non-litigation or administrative disputes that have been determined or are still under judgment by the Company and its directors, general manager, actual person in charge, major shareholders with a shareholding ratio of more than 10%, and affiliated companies. If the results may have a significant impact on shareholders'



equity or securities prices, the facts in dispute, the subject amount, the start date of the litigation, the main parties involved in the litigation, and the handling status as of the publication date of the annual report shall be disclosed:

1. The Company shall disclose the facts in dispute, the subject amount, the commencement date of the litigation, the main parties involved in the litigation, and the current handling status of any litigation, non-litigation or administrative disputes that have been determined or are currently under judgment in the most recent two years and up to the date of publication of this annual report, if the results may have a significant impact on shareholders' equity or securities prices:

There have been no litigation cases in the last two years and up to the date of publication of the annual report.

2. The directors, supervisors, general manager, actual person in charge, major shareholders holding more than 10% of the shares and affiliated companies of the Company, which have been subject to final judgment or are currently in the process of litigation, non-litigation or administrative disputes in the past two years and up to the date of publication of the annual report, the results of which may have a significant impact on the Company's shareholders' equity or securities prices:

There have been no litigation cases in the last two years and up to the date of publication of the annual report.

3. The Company's directors, supervisors, managers and major shareholders holding more than 10% of the shares have any of the following circumstances specified in Article 157 of the Securities and Exchange Act in the past two years and up to the printing date of this year, and the Company's current handling of the situation: None.

4. If the Company's directors, supervisors, managers and major shareholders holding more than 10% of the shares have experienced financial difficulties or loss of credit in the most recent two years and up to the date of publication of this annual report, the impact on the Company's financial condition should be listed: None.

(XIII) Other important risks and countermeasures:

1. Risks, impacts and countermeasures of information security on the Company

The Company has not found any information security incidents in recent years and up to the date of publication of this annual report that have or may have a material adverse impact on the Company's business or operations.

2. Risk management organizational structure

The Company has established a risk management policy and a risk management mechanism for identifying, assessing, supervising and controlling risks. The Board of Directors is the highest unit in charge of risk management and is responsible for developing and controlling risk management policies, executing daily risk control through various risk management units, and continuously monitoring the effective operation of risk management through regular management meetings and internal audits. If matters require approval from the Board of Directors in accordance with relevant laws and regulations, they will be implemented after the Board of Directors resolves them.

**VII. Other important matters**

None.

## Six. Special matters to be recorded

### I. Information on affiliates

#### (I) Consolidated business report of affiliates

The Company has issued the 2024 “Affiliate Consolidated Business Report” and has announced it to the MOPS. You can go to the NOPS website (path: Homepage → Individual Company → Electronic Document Download → Affiliate’s Three Statements and Forms Area) or go to the link: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10), enter the company code (6982), and you can check the Company's “Affiliate Consolidated Business Report”. The following are the main points:

##### 1. Overview of the affiliates’ organization

###### (1) Organization chart of affiliated companies

December 31, 2024



(2) Companies presumed to have controlling and subordinate relationships pursuant to Article 369-3 of the Company Act: None.

(3) Subsidiaries whose personnel, finances or business operations are directly or indirectly controlled by the Company pursuant to Paragraph 2 of Article 369-2 of the Company Act: None.

##### 2. Basic information of affiliates

December 31, 2024 Unit: NTD thousands

Company name	Date of establishment (Republic of China)	Address	Paid-in capital	Main business or production items
SUZHOU WALRUS PUMP CO., LTD.	February 5, 2007	No. 123, Beihai Road, Liuhe Town, Taicang City, Jiangsu Province	US\$ 2,500	Manufacture and sale of water pump

3. Information on shareholders who are presumed to have a controlling and subordinate relationship: None.

4. The industries covered by the overall affiliates' business operations

Company name	Main business or production items
SUZHOU WALRUS PUMP CO., LTD.	Manufacture and sale of water pump

5. Information on directors, supervisors and general managers of affiliated companies

December 31, 2024 Unit: Shares; %

Company name	Title	Name or representative	Shareholding	
			Number of shares/capital contribution	Shareholding ratio/investment ratio
SUZHOU WALRUS PUMP CO., LTD.	Chairman	Huang, Chin-Chen	-	-
	Director	Huang, Ching-Feng	-	-
	Director	Huang, Ching-Yun	-	-
	Supervisor	Shen, Chien-Hua	-	-
	General Manager	Sun, Kuo-Hwa	-	-

6. Financial status and operating results of each affiliated company

December 31, 2024 Unit: NTD thousands

Company name	Capital amount (NTD thousands)	Total assets (Note 1)	Total liabilities (Note 1)	Net worth (Note 1)	Operating revenue (Note 2)	Operating profit (Note 2)	Income for the period (after tax) (Note 2)	Earnings per share (NTD) (After tax)
SUZHOU WALRUS PUMP CO., LTD.	US\$ 2,500	\$103,953	\$23,909	\$80,044	\$107,317	\$6,329	\$5,342	-

Note 1: The amount is converted based on the RMB to NTD exchange rate of 4.478 on the balance sheet date.

Note 2: The conversion is based on the average RMB to NTD exchange rate of 4.454 in 2024.

(II) Consolidated financial statements of affiliated companies

The companies that should be included in the preparation of the consolidated financial statements of related enterprises in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as the companies that should be included in the preparation of the consolidated financial statements in accordance with International Accounting Standard No. 27 approved by the Financial Supervisory Commission. In addition, the relevant information that should be disclosed in the consolidated financial statements of related enterprises has been disclosed in the consolidated financial statements. Therefore, the consolidated financial statements of related enterprises are no longer prepared separately.

The Company has issued a “Statement on Consolidated Financial Statements of Affiliated Companies” in the 2024 Consolidated Financial Report and announced it on the MOPS. You can go to the MOPS website (path: Homepage → Individual Company → Electronic Document Download → Financial Report) or go to the link: [https://mops.twse.com.tw/mops/#/web/t57sb01\\_q1](https://mops.twse.com.tw/mops/#/web/t57sb01_q1), enter the company code (6982) and the year (113), select the 2024 fourth quarter IFRSs consolidated financial report, and you can find the Company's “Statement on Consolidated Financial Statements of Affiliated Companies” on the fourth page.

(III) Affiliation report: Not applicable.

**II. In the most recent year and up to the publication date of the annual report, the status of private placement of securities: No such situation.**

**III. Other supplementary information: None.**

**Seven. Any event that has a significant impact on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act during the most recent year and up to the date of publication of the annual report: None.**

WALRUS PUMP Co., Ltd.



Chairman: Huang, Ching-Feng  
(Raymond Huang)





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