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Wan Hwa Enterprise Company Ltd.

2024 Annual Report

No. 41, Sec. 1, Zhonghua Rd., Taipei City

(02)23813737

Printing Date: May 19, 2025

Notice to Readers

Where any discrepancy arises between the English translation and the original Chinese version of this annual report, the Chinese version shall prevail.

I. Contact Information of Spokesperson and Deputy Spokesperson

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V. Name of the Trading Venue and Information Inquiry Method for Overseas Listed Securities
Name of Trading Venue : NA-NO overseas listed securities are traded

VI. Company Website: www.wanhwa.com.tw

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I. Letter to Shareholders

Dear Shareholders: Thank you for attending the 2025 general shareholders' meeting of the Company. The following is a report on the company's business operations for the year 2024:

- (1) The Company's total operating revenue for year 2024 was NT\$290,002 thousand, an decrease of 2.42% compared to 2023 of NT\$297,185 thousand, including an increase of 8.14% in rental revenue and an decrease of 24.99% in recreation revenue. Profit before income tax was N\$276,579 thousand, an decrease of 4.63% compared to N\$289,994 thousand in 2023, and the net profit after tax was NT\$229,644 thousand, an decrease of 3.24% compared to NT\$237,340 thousand in 2023.
- (2) Domestic and foreign investments of the Company:
 - (1) Foreign investment:

Share of the net income after tax of investment accounted for using equity method in 2024 was NT\$13,891 thousand.
 - (2) Other domestic investment:

Gains from the Company's investments under the policy of diversification included cash dividends of NT\$14,315,192 from Dah Chung Bills Finance Corp., cash dividends of NT\$13,176,083 from Capital Securities Corp., cash dividends of NT\$34,650,176 from First Hotel Company, Ltd., and cash dividends of NT\$95,173 from other investments. A total NT\$62,236,624 in cash dividends was recognized, a long with stock dividends amounting to 1,706,660 shares.
- (3) Future outlook:

The company's cinemas were previously programmed by Showtime Cinemas Inc. However, after the contract expired on August 31, 2024, and was not renewed. Programming responsibilities have since been transferred Century Asia, with official operations commencing on March 14, 2025. Looking ahead, the cinema will continue to embrace the "All in One" philosophy, striving to deliver a fully integrated digital cinema experience. By incorporating elements of technology, anime, and cultural and creative trends, we aim to provide audiences with a fresh and innovative entertainment experience.

The Company will remain committed to strengthen corporate governance and continuously upgrading both software and hardware facilities to stay aligned with market trends and ensure steady growth. We will also actively expore, the Company

diversified investment opportunities to further enhance profitability.

Inclosing, we sincerely hope our shareholders will continue to extend long standing support, encouragement, and valuable feed back. Thank you once again. We wish all of you good health and every success in all your endeavors.

Chairman: Mao-Chang Tsai
President: Ya-Chen Wu

Table 1
Comparison of the Company's income and expenses for 2024 and 2023

Unit: NT\$ thousands

Item	<u>2024</u>	%	<u>2023</u>	%	Increase (decrease) amount	Changes in %
Operating income	290,002	100	297,185	100	(7,183)	(2.42)
Income from rent	219,005	76	202,529	68	16,476	8.14
Education and entertainment	70,997	24	94,656	32	(23,659)	(24.99)
Operating cost	89,077	31	97,562	33	(8,485)	(8.70)
Gross Margin	200,925	69	199,623	67	1,302	0.65
Operating expenses	35,248	12	32,846	11	2,402	7.31
Operating profit	165,677	57	166,777	56	(1,100)	(0.66)
Non-operating income and loss	110,902	38	123,217	42	(12,315)	(9.99)
Profit before taxation	276,579	95	289,994	98	(13,415)	(4.63)
Profit after taxation	229,644	79	237,340	80	(7,696)	(3.24)

Analysis item \ Year		<u>2024</u>	<u>2023</u>
Profitability	Return on assets (%)	2.37	2.54
	Return on equity (%)	2.74	2.93
	Pre-tax Income to Paid-in Capital Ratio (%)	6.15	6.44
	Net Margin (%)	79.19	79.86
	Earnings per Share (NT\$)	0.51	0.53

II. Corporate Governance Report

1. Director, President, Vice President, Assistant Vice President, Executives of Each Division and Branch

Directors' information (I)

2025/3/21

Title	Nationality or place of incorporation	Name	Gender	Date Elected	Office Term	Date First Elected	Shareholding When Elected	Current Shareholding	Spouse & Minor Current Shareholding	Shareholding in the Name of Others	Selected Past Positions And Education	Other Concurrent Positions in the Company or Other Companies	Other Executives, Directors who are Spouses or Relatives Within the Second Degree of Kinship		
							Shares	Shares	Shares	Shares			Position	Name	Relation
							Shareholding ratio	Shareholding ratio	Shareholding ratio	Shareholding ratio					
Chairman	R.O.C.	Tsai, Mao-Chang Legal representative of Today's Department Store Company Ltd.	Male	2024.6.24	3 years	2009.6.19	89,809,699	89,809,699	—	—	Chairman of Wan Hwa Enterprise Company Ltd.	-	-	-	-
							19.96%	19.96%	—	—					
Director	R.O.C.	Wu, Ya-Chen Legal representative of Te-Jung Hsu Social Welfare Charitable Foundation	Female	2024.6.24	3 years	1997.5.31	1,870	1,870	—	—	Director of Wan Hwa Enterprise Company Ltd.	General Manager of Wan Hwa Enterprise Company Ltd.	-	-	-
							—	—	—	—					
Independent director	R.O.C.	Chen Yu-ying	Female	2024.6.24	3 years	2024.6.24	35,082 0.01%	35,082 0.01%	—	—	Financial manager of Rongqi Industrial Co., Ltd.	-	-	-	-
Independent director	R.O.C.	Liao Jia-zhong	Male	2024.6.24	3 years	2024.6.24	—	—	—	—	Chairman of the Di Sheng clothing store	-	-	-	-
Independent director	R.O.C.	Chang, Jo-Hu	Male	2024.6.24	3 years	2018.6.19	—	—	—	—	Chairman of Guoyi Communication Co. Ltd.	-	-	-	-

Chart I: Major Shareholders of Institutional Shareholders

2025/3/31

Today's Department Store Company Ltd.	First Hotel Company Ltd. (19.8%) Wan Hwa Enterprise Company Ltd. (19.8%)
Te-Jung Hsu Social Welfare Charitable Foundation	Consortium legal entity
First Hotel Company Ltd.	Kubo Investment Corporation (19.8%) Wan Hwa Enterprise Company Ltd. (19.8%) Mandarin Investment Corporation (14.72%) Zen Fong Investment Corporation (8.15%) Overseas Investment Corporation (3.56%) Today's Department Store Company Ltd. (3.03%) Huanxi Investment Co., Ltd. (1.87%) Standard Chartered Custody Royal Bank Singapore Limited (1.64%) Shengwei Investment Co., Ltd (1.30%) Li YuPing (1.07%)

Directors' information (II)

1. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Criteria Name	Professional qualifications and experience	Independence status	Number of concurrent independent director position of other public companies
Tsai, Mao-Chang	Work experience in commerce, law, finance, accounting or other fields required for the Company's business. Having none of the circumstances in Article 30 of the Company Act.	1. The corporate director of our company serves as the representative of the Today's company, and is not an independent director. 2. Compliant with Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, it meets the criteria of independence.	-
Wu, Ya-Chen	Work experience in commerce, law, finance, accounting or other fields required for the Company's business. Currently the General Manager of Wan Hwa Enterprise Company Ltd. Previously the Chief Auditor of Wan Hwa Enterprise Company Ltd. Having none of the circumstances in Article 30 of the Company Act.	1. The corporate director of our company serves as the representative of the Today's company, and is not an independent director. 2. Compliant with Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, it meets the criteria of independence.	-
Chen Yu-ying	Work experience in commerce, law, finance, accounting or other fields required for the Company's business. Financial manager of Rongqi Industrial Co., Ltd. Having none of the circumstances in Article 30 of the Company Act.	All independent directors meet the following conditions: 1. Compliant with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (note 1). 2. Not holding shares in the Company in the name of the person (or in the names of others) or his/her spouse or minor children. 3. Having not received any remuneration for providing commercial, legal, financial, accounting or other services to the Company or its affiliates in the last two years.	-
Liao Jia-zhong	Work experience in commerce, law, finance, accounting or other fields required for the Company's business. Chairman of the Di Sheng clothing store. Having none of the circumstances in Article 30 of the Company Act.		-
Chang, Jo-Hu	Work experience in commerce, law, finance, accounting or other fields required for the Company's business. Currently the chairman of Guoyi Communication. Having none of the circumstances in Article 30 of the Company Act.		-

Note 1:

- Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
- Not serving concurrently as an independent director on more than three other public companies in total.
- During the two years before being elected and during the term of office, meet any of the following situations:
 - (1) Not an employee of the company or any of its affiliates;
 - (2) Not a director or supervisor of the company or any of its affiliates;
 - (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
 - (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
 - (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
 - (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
 - (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
 - (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
 - (9) Not a professional individual, or an owner, partner, director, supervisor, a managerial officer of a sole proprietorship, partnership, company or institution that provides the Company or its affiliates with auditing services, or commercial, legal, financial, accounting and other related services for which the cumulative amount of compensation received in the last two years did not exceed NT\$500,000, or a spouse thereof. This excludes roles as remuneration, public acquisition or merger committee members appointed in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.

2. Board diversity and independence:

(1) Board diversity:

The Company advocates and respects the policy of diversity of directors. In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the Company believes that the policy of diversity will help improve its overall performance. The members of the board of directors of the Company have their respective industry experience and relevant skills, as well as capabilities in business judgment, business management, leadership and decision-making, and crisis management. The Company also pays attention to gender equality in the composition of the board of directors. Women currently make up 40% of the board, with two out of the five directors being female. The status of implementation of the diversity policy of the board of directors of the Company is as follows:

Name	Nationality	Gender	Age	With employee status	Seniority in the independent director position	Business judgment	Accounting and finance	Business management	Crisis management	Industry knowledge	International market perspective	Leadership and decision-making
Tsai, Mao-Chang Legal representative of Today's Department Store Company Ltd.	R.O.C	Male	90~95	-	-	V	V	V	V	V	V	V
Wu, Ya-Chen Legal representative of Te-Jung Hsu Social Welfare Charitable Foundation	R.O.C	Female	81~90	V	-	V	V	V	V	V	V	V
Chen Yu-ying	R.O.C	Female	71~80	-	0-3 years	V	V	V	V	V	V	V
Liao Jia-zhong	R.O.C	Male	71~80	-	0-3 years	V	V	V	V	V	V	V
Chang, Jo-Hu	R.O.C	Male	71~80	-	6~9 years	V	V	V	V	V	V	V

(2) Independence of the board of directors

Among the five directors of the Company, there are three independent directors, accounting for 60% of the total number of directors, and there is no relationship of spouse or relative within the second degree among the directors, so the status of the board of directors of the Company is independent.

(2). President, Vice President, Assistant Vice President, Executives of Each Division and Branch

2025/3/31

Position (Note 1)	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding in the Name of Others		Education and Selected Past Positions (Note 2)	Other Concurrent Positions in Other Companies	Managerial Officers who are Spouses or Relatives Within the Second Degree of Kinship			Remarks (Note 3)
					Shareholding ratio Shares	Shareholding ratio Shares	Shareholding ratio Shares	Shareholding ratio Shares	Shareholding ratio Shares	Shareholding ratio Shares			Relation	Name	Position	
President	ROC	Wu, Ya- Chen	Female	2006 06 23	-	-	-	-	-	-	Wan Hwa Enterprise Company Ltd. Chief Auditor	-	-	-	-	-
Financial Assistance General Manager	ROC	Liang, Yu- Wen	Female	2020. 09. 01	-	-	-	-	-	-	Deloitte & Touche Assistant Manager	-	-	-	-	-

Note 1: This should include the President, Vice President, Assistant Vice President, and those who hold the equivalent positions, as well as executives of each division and branch, must be disclosed.

Note 2: Experience related to the current position. Detailed job title and the working responsibilities should be described if previously worked for the auditing accounting firm or its affiliated company.

Note 3: Where the President or equivalent (top managerial officer) and the Chairman are the same person, spouse, or relatives within the first degree of kinship of one another, the reasons, reasonableness, necessity and countermeasures (such as increasing the number of independent directors and not having more than half of the directors as employees or managerial officers, etc.) shall be disclosed.

3. Remuneration of Directors, President, and Vice President:

(i) Remuneration of directors and independent directors

2023/12/31

Unit: NT\$/ Shares

Position	Name	Remuneration Paid to Directors								Sum of A, B, C and D as a Percentage of Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A, B, C, D, E, F and G as a Percentage of Net Income		Compensation Received by Directors from Affiliates Not under the Group or from the Parent Company	
		Compensation (A)		Pension upon Retirement (B)		Remuneration (C)		Service Expenses (D)				Base Compensation, Bonuses, and Allowances (E)		Pension upon Retirement (F)		Employee Remuneration (G)							
		The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company		Consolidated Companies		The Company	Consolidated Companies		
																Cash Amount	Stock Amount	Cash Amount	Stock Amount				
Director Representative of Today's Department Store Company Ltd.	Tsai, Mao-Chang	840,000		-		2,500,000		5,000		1.46%		-		-			-	-			1.46%		
Director Representative of Te-Jung Hsu Social Welfare Charitable Foundation	Wu, Ya-Chen	-		-		700,000		5,000		0.31%		758,000		46,026		149,947	-			0.72%			
Independent director(Note 2)	Hsu, Chang-Lung	-	Note 1	-	Note 1	116,000	Note 1	16,000	Note 1	0.06%	Note 1	-	Note 1	-	Note 1	-	-	Note 1	Note 1	0.06%	Note 1		None 1
Independent director(Note 2)	Tang, Chao-Chin	-		-		116,000		36,000		0.07%		-		-		-	-			0.07%			
Independent director	Chen Yu-ying					124,000		19,000		0.06%										0.06%			
Independent director	Liao Jia-zhong					124,000		19,000		0.06%										0.06%			
Independent director	Chang, Jo-Hu	-		-		240,000		35,000		0.12%		-		-		-	-			0.12%			

1. Please describe the policy, system, standard and structure for the remuneration of independent directors, as well as indicate the relevance of the amount of remuneration to their responsibilities, risks, time commitment, etc.: According to the Company's Articles of Incorporation, the remuneration of independent directors shall be submitted annually to the Remuneration Committee for discussion and the Board of Directors for resolution, based on the profitability of the year. In addition, the directors' performance evaluation and the policies, systems, standards and structure for the remuneration of directors are in accordance with the Company's "Regulations Governing the Organization of the Remuneration Committee."

2. In addition to the disclosures in the above table, the remuneration received by the Company's directors for services rendered to all consolidated companies in the financial statements (e.g., as non-employee consultants, etc.) in the most recent year.: None

Note 1 : The Company does not have consolidated financial statements.

Note 2 : Term ended on June 24, 2024, upon expiration.

(ii) Remuneration of President and Vice President:

2024/12/31
Unit: NTS/ Shares

Unit: NT\$/ Shares														
Position	Name	Salary (A)		Pension upon Retirement (B)		Bonuses, and Allowances (C)		Amount of Employee Remuneration (D)				Sum of A, B, C and D as a Percentage of Net Income (%)		Compensation Received from Affiliates Not under the Group or from the Parent Company
		The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company		Consolidated Companies		The Company	Consolidated Companies	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Wu,Ya-Chen	758,000	Note 1	46,026	Note 1	-	Note 1	149,947	None	Note 1	Note 1	0.42%	Note 1	None

Note 1: The Company does not have consolidated financial statements.

(iii) Remuneration of the top five highest paid executives in a listed company

2024/12/31
Unit: NTS/ Shares

China, Viet Nam														
Position	Name	Salary (A)		Pension upon Retirement (B)		Bonuses, and Allowances (C)		Amount of Employee Remuneration (D)				Sum of A, B, C and D as a Percentage of Net Income (%)		Compensation Received from Affiliates Not under the Group or from the Parent Company
		The Company	Consolidated Companies	The Company	Consolidated Companies	The Company	Consolidated Companies	The Company		Consolidated Companies		The Company	Consolidated Companies	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Wu,Ya-Chen	758,000	Note 1	46,026	Note 1	-	Note 1	149,947	None	Note 1	Note 1	0.42%	Note 1	None
Financial Assistance General Manager	Liang, Yu-Wen	698,000		43,056		-		172,947		0.40%				

Note 1: The Company does not have consolidated financial statements.

- (iv) Respectively compare and analyze the total remuneration paid to the Company's directors, president and vice presidents in the last two years as a percentage of net income in the parent company only financial reports or individual financial reports, the remuneration policy, standard and package of remuneration payment, the procedure for the determination of remuneration and the relevance of the remuneration to the operating performance and future risk.

Position \ Year	2024		2023	
	The Company	All Consolidated Companies	The Company	All Consolidated Companies
Directors	2.55%	Note 1	2.45%	Note 1
The remuneration of directors is paid in accordance with the Company's Article of Incorporation.				

Position \ Year	2024		2023	
	The Company	All Consolidated Companies	The Company	All Consolidated Companies
President and Vice Presidents	0.42%	Note 1	0.39%	Note 1
The remuneration of the president and vice president is based on the approved principles of the Company's payment by grade.				

Note: 1. The Company does not have consolidated financial statements.

2. The remuneration of the directors, president, vice presidents and managerial officers is determined with reference to the operating results of previous years.

(v) Employee Remuneration Distributed to Managerial Officers and Distribution Situation

2024/12/31

Unit: NT\$/ Shares

	Position	Name	Stock Amount	Cash Amount	Total	Total as a Percentage of Net Income (%)
Managerial Officer	President	Wu, Ya-Chen	-	322,894	322,894	0.14%
	Financial Assistance General Manager	Liang, Yu-Wen				

4. Implementation of Corporate Governance

(1-1). Board of directors meeting status

A total of 5 meetings were held in 2024, and below are the directors' attendance records:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate in Person	Remarks
Chairman	Tsai, Mao-Chang. Representative of Today's Department Store Company Ltd.	5	0	100%	
Director	Wu, Ya-Chen. Representative of Te-Jung Hsu Social Welfare Charitable Foundation.	5	0	100%	
Independent director	Hsu, Chang-Lung	2	0	100%	Note 1
Independent director	Tang, Chao-Chin	2	0	100%	Note 1
Independent director	Chen Yu-ying	3	0	100%	Note 2
Independent director	Liao Jia-zhong	3	0	100%	Note 2
Independent director	Chang, Jo-Hu	5	0	100%	

Other items to be stated:

I. Where the operation of the Board meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors, and the Company's resolution of said opinions: None.

(I) Matters specified in Article 14-3 of the Securities and Exchange Act.

(II) Other BOD resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors.

II. For the recusals of directors due to conflicts of interests, the minutes shall clearly state the director's name, contents of the motion, the reason for not voting and actual voting counts: None.

III. A listed or OTC company shall disclose information regarding the evaluation cycle and period, scope, methodology and content of the self-evaluation (or peer evaluation of the Board of Directors) : The Company established the Measures for Evaluation of the Board of Directors' on November 3, 2020, as approved by the Board of Directors. The 2024 Board performance evaluation result, the overall operation of the Board was excellent. And the evaluation of the board of directors'(including functional committees) performance were reported to the Board of Directors on March 11, 2025. Please refer to the table below for details of the Board evaluation implementation..

IV. An evaluation of targets (such as establishing an audit committee, improving information transparency and others) and performance for strengthening the functional competencies of the board during the current and the most recent years: The Company's board approved amendments to the "Provisions of Regulations Governing Procedure for Board of Directors Meetings" on March 12, 2024, and the "Internal Control of Shareholder Services" on May 9, 2024.

Note 1 : Term ended on June 24, 2024, upon expiration.

Note 2 : Elected as a new Director at the Shareholders' Meeting held on June 24, 2024.

(1-2). Board of Directors' Performance Evaluation Implementation Status

Evaluation Cycles	Evaluation Period (Note1)	Evaluation Scope	Evaluation Method	Evaluation Aspects
The Company conducts the board performance evaluation once a year.	From June 24, 2024 to December 31, 2024	The scope includes the Board of Directors as a whole, the individual directors, the Remuneration Committee and the Audit Committee.	Methods include internal assessment of the Board and self-assessments by each board member.	<p>The Board of Directors are assessed on the following five aspects:</p> <ol style="list-style-type: none"> 1. Involvement in the Company's operation 2. Enhancement of the quality of the board's decision-making 3. Makeup and structure of the board 4. Election of board members and continuing knowledge development 5. Internal controls <p>The individual directors are assessed on the following six aspects:</p> <ol style="list-style-type: none"> 1. Understanding of the Company's goals and mission 2. Awareness of director's duties 3. Involvement in the Company's operations 4. Internal relationship and communication 5. Director's professionalism and continuing knowledge development 6. Internal controls <p>The Audit Committee is assessed on the following five aspects:</p> <ol style="list-style-type: none"> 1. Involvement in the Company's operation 2. Awareness of the audit committee's duties 3. Enhancement of the quality of the audit committee's decision-making 4. Makeup of the audit committee and election of its members 5. Internal controls
Note1 : Due to the re-election of the Board of Directors, the evaluation period covers less than one full year. The tenure of the newly elected directors spans from June 24, 2024, to June 23, 2027.				

(2). Audit committee meeting status

A total of 5 meetings were held in 2024, and below are the independent directors' attendance records:

Position	Name	Attendance in Person (B)	Attendance Rate in Person (%) (B/A) (Note)	Remarks
Independent director	Hsu, Chang-Lung	2	100%	Note 1
Independent director	Tang, Chao-Chin	2	100%	Note 1
Independent director	Chen Yu-ying	3	100%	Note 2
Independent director	Liao Jia-zhong	3	100%	Note 2
Independent director	Chang, Jo-Hu	5	100%	

Other items to be stated:

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all Audit Committee members and the Company's resolution of said opinions: None.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act.

Audit committee meeting	Contents of the proposal
2024.3.12	1. Review "the 2023 Financial Statements"
	2. Review "the 2023 Internal Control Statement"
	3. Review of the "the 2023 Earnings Distribution"
	4. Review and amendment of certain articles of the Company's 'Rules of Procedure for Board of Directors Meetings'.
	5. Review and amendment of certain articles of the Company's 'Audit Committee Charter'.
2024.5.9	1. Review "the 2024Q1 Financial Statements"
	2. Review of the amendment to the internal control of shareholder services.
2024.6.24	1. Election of the Convener and Chairperson of the third Audit Committee.
2024.8.8	1. Review "the 2024Q2 Financial Statements"
2024.11.7	1. Review "the 2024Q3 Financial Statements"
	2. Submission of the 2025 annual audit plan.

●Contents of dissenting opinions, reservations, or significant recommendations by the independent directors : None

●Audit Committee Resolution and Company's Handling of Audit Committee Opinions : The Audit Committee members unanimously approved all agenda items, and the Board of Directors, following the recommendations of the Audit Committee, approved all agenda items.

(II) Except for the preceding conditions, other resolutions not approved by the Audit Committee but approved by two-thirds or more of the directors. : None

II. For the recusals of independent directors due to conflicts of interests, the minutes shall clearly state the independent director's name, contents of the motion, the reason for not voting and actual voting counts: None.

III. Communication between independent directors and internal auditors and CPA (e.g., discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

1. The Company submits the audit status summary report in writing to the independent directors for their review quarterly.
2. The Company quarterly holds board meetings at which the audit supervisor reports on internal audit activities.

3. Audit supervisor, CPA and the independent directors may, from time to time, contact each other on a needed basis. The communication is smooth.

Note 1 : Term expired and the position was vacated ended on June 24, 2024.

Note 2 : Elected as a new Director at the Shareholders' Meeting convened on June 24, 2024.

(3). Corporate governance status, the difference(s) from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reason(s) for such difference(s)

Assessment Item	Implementation Status			Difference(s) from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reason(s) for Such Difference(s)
	Yes	No	Summary	
I. Does the Company follow the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” to establish and disclose its corporate governance practices?		No	Not yet available.	Compliant.
II. Shareholding Structure & Shareholders’ Rights				
(I) Does the Company have internal operating procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	Yes		(I) The Company has a spokesperson and deputy spokesperson to deal with shareholders’ suggestions or disputes.	(I) Compliant.
(II) Does the Company possess the list of major shareholders who actually control the Company and the beneficial owners of these major shareholders?	Yes		(II) The Company controls by the shareholder registry provided by Taiwan Depository & Clearing Corporation.	(II) Compliant.
(III) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	Yes		(III) The Company has no affiliated companies.	(III) No affiliated companies.
(IV) Has the Company established internal rules prohibiting insider trading securities on undisclosed information?	Yes		(IV) The Company has internal rules and strengthens the promotion with the relevant documents and information from the competent authorities.	(IV) Compliant.
III. Composition and Responsibilities of the Board of Directors				
(I) Does the Company establish a diversification policy for the composition of its Board of Directors and has it been implemented practically?	Yes		(I) Please refer to “Board diversity and independence” on page 7 of this annual report	(I) Compliant.
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company set up other functional committees?		No	(II) The Company has set up the Remuneration Committee and the Audit Committee in accordance with the law, but has not yet set up other functional committees.	(II) Compliant.
(III) Does the Company establish a methodology for evaluating the performance of its board of directors, implemented it on an annual basis, and submit the evaluation result to the board meeting and use it as a reference for individual director's remuneration and nomination for reappointment?	YES		(III) The Company had formulated a board of directors' performance evaluation policy, and regularly reports the operating performance to the board of directors.	(III) Compliant.
(IV) Does the Company regularly evaluate the CPAs’ independence?	Yes		(IV) The Company's CPAs are not related parties of the Company and meet the independence requirement.	(IV) Compliant.
IV. Does a TWSE/TPEx listed company has a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors with the information needed to perform their duties, assist the directors with compliance, convention of board meetings and shareholder meetings, preparation of board meeting and shareholders’ meeting minutes, etc.)?	Yes		The Company resolved to appoint the Corporate Governance Director to provide directors with the information they need to execute their business, assist directors to comply with laws and regulations, and handle matters related to board meetings and shareholders’ meetings in accordance with the law. The Corporate Governance Director of the company attended a 18 hour professional training course on corporate governance practices during the year 2024.	Compliant.
V. Does the Company establish a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders’ concerns on corporate social responsibilities?	Yes		The Company’s corporate website: www.wanhwa.com.tw. The Company has set up a stakeholder section on its official website in compliance with applicable regulatory requirements, and relevant information is announced on the Market Observation Post System (hereinafter referred to as MOPS) and the Company's website in accordance with the regulations to provide a good communication channel.	Compliant.
VI. Does the Company appoint a professional stock agent to handle its shareholders’ meeting affairs?		No	The Company conducts its stock and shareholders' meeting affairs on its own.	Compliant.
VII. Information Disclosure				
(I) Does the Company establish a corporate website to disclose information regarding its financials, business and corporate governance status?	Yes		(I) The Company’s website: www.wanhwa.com.tw.	(I) Compliant.
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, implementing the spokesperson system, webcasting investors conference etc.)?	Yes		(II) The Company timely discloses relevant information on the MOPS and the Company's website, and collects news reports and information from various parties in accordance with regulations.	(II) Compliant.
(III) Does the Company announce and file its annual financial statements within two months after the end of the fiscal year, and announce and file the first, second and third quarters and the monthly operating status in advance of the specified deadline?	Yes		(III) The Company timely files the quarterly financial statements and operation status in accordance with the regulations.	(III) Compliant.
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholders’ rights, directors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	Yes		The Company, from time to time, understands the critical information of the corporate governance implementation status through various competent authorities and their websites.	Compliant.
IX. Describe the improvement status for the result of the Corporate Governance Evaluation announced by the Taiwan Stock Exchange and propose priorities and measures to enhance those that have not yet been improved: The Company operates in accordance with relevant regulations currently.				

(4). Describe the composition, duties and operations of the remuneration committee established by the Company, if any:

(i) Information about remuneration committee members

Criteria Title Name		Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member
Independent director	Chen Yu-ying	The Remuneration Committee of the Company consists of all the three independent directors. For the professional qualifications and experience of the members, please refer to the "Disclosure of information on the professional qualifications of directors and the independence of independent directors" (page 7) in this annual report.	All Remuneration Committee members meet the following criteria: 1. Compliant with the provisions of Article 14-6 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". 2. Not holding shares in the Company in the name of the person (or in the names of others) or his/her spouse or minor children. 3. Having not received any remuneration for providing commercial, legal, financial, accounting or other services to the Company or its affiliates in the last two years.	0
Independent director	Liao Jia-zhong			0
Independent director	Chang, Jo-Hu			0

(ii) Remuneration Committee Meeting Status

- There are three members in the remuneration committee.
- The term of office of current members: August 8, 2024 to August 7, 2027. A total of 2 meetings were held in 2024, and below are the members' qualification and attendance records:

Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate in Person %	Remarks
Convener	Tang, Chao-Chin	1	0	100%	Term expired (Note 1)
Member	Hsu, Chang-Lung	1	0	100%	Term expired (Note 1)
Convener	Chang, Jo-Hu	2	0	100%	
Member	Chen Yu-ying	1	0	100%	(Note 2)
Member	Liao Jia-zhong	1	0	100%	(Note 2)

Other items to be stated:

- If the board of directors does not adopt or amend the remuneration committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the board meeting, and the Company's handling of the remuneration committee's opinions (if the remuneration approved by the board of directors is superior than that suggested by the remuneration committee, please specify the deviation and reason(s)): None.
- For resolution(s) made by the remuneration committee with the committee members have dissenting or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the company's handling of the said opinions: None.
- The Compensation Committee of our company has held meetings, reviewed, and evaluated the compensation information of our company in the past year as follows:

Date	Contents of the proposal	Resolution Results	The opinions of the Compensation Committee
2024.3.5	2023 remuneration for employees and directors	approved by all committee members.	All the attending directors passed the resolution
2024.11.7	Adjustment of salary levels in the "Employee Salary Scale" proposal.	approved by all committee members.	All the attending directors passed the resolution

Note 1 : Term ended on June 24, 2024.

Note 2 : Elected as a new Director at the Shareholders' Meeting held on June 24, 2024.

(5). Implementation of sustainable development, the differences for TWSE/TPEX-Listed Companies and the reasons:

Evaluation Item	Operational Status			Difference(s) from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Such Difference(s)
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management authorized by the Board of Directors and supervised by the Board of Directors?	Yes		The company has established a Sustainability Report Preparation Team responsible for promoting sustainability initiatives. We have also formulated a Sustainability Practice Code, set up related operating procedures, and report regularly to the Board of Directors.	Compliant
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	Yes		The Sustainability Report Preparation Team will conduct analyses based on the materiality principle of the Sustainability Report, communicate with various departments, and accordingly assess significant sustainability-related issues. They will implement specific action plans to mitigate the impact of related risks.	Compliant
III. Environmental Issues				
(I) Does the Company establish environmental policies suitable for the Company's industrial characteristics?	Yes		(I) With respect to promoting environmental protection, safety and hygiene activities, the Company not only complies with domestic laws and regulations related to environmental protection, safety and hygiene but also devotes itself to conserve energy.	(I) Compliant.
(II) Does the Company endeavor to improve the utilization efficiency of various resources and use recycled materials with low impact on the environment?	Yes		(II) The Company endeavors to environmental protection resources recycling and reuse to enhance the utilization efficiency of various resources to achieve the goal of waste reduction so as to reduce the impact on the environment.	(II) Compliant.
(III) Does the Company assess the potential risks and opportunities of climate change for now and the future and adopt countermeasures for climate change issues?	Yes		(III) The company has disclosed the potential risks and opportunities of climate change to the business, both now and in the future, in the annual Sustainability Report. We understand that climate change, in addition to potentially causing natural disasters that directly impact our daily operations, may also lead to indirect effects such as rising raw material prices and supply disruptions. Therefore, we actively focus on energy conservation, carbon reduction, and greenhouse gas mitigation issues, and comply with relevant regulations.	(III) Compliant.
(IV) Does the Company compile statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulated policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	Yes		(IV) The company has disclosed the greenhouse gas emissions, water consumption, and total waste weight for the past two years in the annual Sustainability Report. We are also committed to advocating policies on water and electricity conservation, as well as resource recycling, to implement energy-saving and carbon reduction measures in our daily operations.	(IV) Compliant.
IV. Social Issues				
(I) Does the Company establish related management policies and procedures in accordance with the relevant laws and the International Bill of Human Rights?	Yes		(I) The Company complies with relevant laws and regulations and respects the internationally recognized basic labor rights principles. The appointment, dismissal, and remuneration of employees are managed according to the Company's internal control system to protect the basic rights of employees.	(I) Compliant.
(II) Does the Company establish and implement reasonable employee benefit measures (including remuneration, leaves and other benefits) and adequately reflect its operating performance or result to the employee remuneration?	Yes		(II) The Company has a sound mechanism and channel for employee grievances, which allows to understand and communicate level by level for timely handling.	(II) Compliant.

Evaluation Item	Operational Status			Difference(s) from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Such Difference(s)
	Yes	No	Summary Description	
(III) Does the Company provide employees with a safe and healthy working environment and conduct safety and health education for employees regularly?	Yes		(III) Only physically and mentally healthy employees can perform with high efficiency and quality in work. Therefore, the Company devotes to a safe and healthy working environment for the employees in accordance with relevant regulations. It also promotes physical and mental health and health education information. It develops employees' emergency response ability and safety concepts and cognitive ability through continuous education training and promotion so as to reduce the occurrence of accidents caused by unsafe behavior. The company experienced no occupational accidents in 2024.	(III) Compliant.
(IV) Does the Company establish effective career development training plans for employees?	Yes		(IV) In 2024, employees participated in a total of 112 hours of training and development courses organized by various external institutions.	(IV) Compliant.
(V) With respect to customer health and safety, customer privacy, marketing and labeling of products and services, does the company comply with relevant laws and international standards and have a policy and complaint procedure to protect consumer rights?	Yes		(V) Complies with relevant laws and regulations and international standards.	(V) Compliant.
(VI) Does the Company formulate a vendor management policy that requires vendors to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights issues, and how is it implemented?	Yes		(VI) In implementing supply chain management, our company continually strives for improvement in areas such as environmental health and building safety. In addition to strengthening cooperative relationships with upstream, midstream, and downstream supply chains, we also promote awareness among suppliers and contractors on various aspects of sustainability. Through regular exchanges with management, self-assessments, and experience sharing, we aim to collaborate closely with key suppliers and contractors to strengthen partnerships and create greater sustainable value together.	(VI) Compliant.
V. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on non-financial information, such as ESG reports? Did the previous release reports obtain a confirmation or assurance opinion from a third-party verifier?	Yes		The company has established the "Sustainability Report Preparation and Disclosure Procedures" and announced the 2023 Sustainability Report in August 2024. In accordance with applicable regulations, the 2024 Sustainability Report will be published on the Company's official website in 2025.	Compliant.
VI. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: The company has established a "Sustainability Practice Code," which complies with all legal requirements.				
VII. Other significant information that is better to realize the implementation of ESG: None.				

(6). Other information material to the understanding of corporate governance within the Company: Please refer to the Sustainability Report published on our company's website for detailed information.

(7). Risks and Opportunities Posed by Climate Change to the Company and Related Mitigation Measures Taken

Item	Implementation Status																																											
1.The oversight and governance of climate-related risks and opportunities by the Board of Directors and senior management are clearly articulated as follows	1.To address the high level of uncertainty associated with climate change and the rapid changes in policies and markets, the Sustainability Report Preparation Team communicates irregularly with various department heads to identify potential impacts of climate change. This includes assessing the risks posed by events such as floods, droughts, typhoons, and high temperatures on our operations. The aim is to understand external environmental changes and market dynamics comprehensively, enabling a more holistic approach to operational strategy planning. These identified risks are disclosed in our Sustainability Report, and regular updates are provided to the Board of Directors. Additionally, progress on greenhouse gas inventory schedules is reported at each quarterly board meeting.																																											
2.Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term).	<div>2.The company incorporates potential impacts of climate change into overall operational considerations, estimating the probability and extent of risk occurrence and devising plans for risk response and mitigation measures.</div> <table><tr><th>Type</th><th>Climate-related risks</th><th>Impact Period</th><th>Description of Risk Contents</th><th>Potential Financial Impact</th><th>Adaptation and Response Measures</th></tr><tr><td rowspan="2">Transition Risks</td><td colspan="5">Policies and Regulations</td></tr><tr><td>Regulations Related to Renewable Energy and Carbon Reduction</td><td>Medium-term</td><td><ul style="list-style-type: none">●Adjustment of Taiwan Power Company's electricity rates●Establishment and Adjustment of Climate-Related Regulations in Taiwan</td><td><ul style="list-style-type: none">●Increased Energy Costs●Increased Carbon Reduction Costs</td><td><ul style="list-style-type: none">●Periodically Promoting Energy Conservation to Tenants and Employees●Prioritizing the Procurement of Equipment with Energy-saving Labels●Keeping Abreast of Relevant Regulatory Information</td></tr><tr><td rowspan="5">Physical Risks</td><td colspan="5">Immediate</td></tr><tr><td>Extreme Weather Events such as Typhoons and Floods</td><td>Short-term</td><td><ul style="list-style-type: none">●Potential Equipment, Personnel, and Facility Losses●Personnel Attendance Rate Affected</td><td><ul style="list-style-type: none">●Annual Budget Allocation for Insurance Premiums●Equipment, Facility, and Personnel Losses</td><td><ul style="list-style-type: none">●Purchase Relevant Property Insurance●Establish Comprehensive Disaster Prevention Measures</td></tr><tr><td colspan="5">Long-term</td></tr><tr><td>Changes in Rainfall Patterns</td><td>Medium-term</td><td><ul style="list-style-type: none">●Causing Flooding●Causing Droughts (or Water Restrictions)</td><td><ul style="list-style-type: none">●Increased Construction and Maintenance Costs (due to the installation of waterproof barriers and water storage facilities)</td><td><ul style="list-style-type: none">●Occasionally promote the Importance of Environmental Protection and Energy Conservation to Tenants and Employees</td></tr><tr><td>Average Annual Temperature Increase</td><td>Long-term</td><td><ul style="list-style-type: none">●Reduced Lifespan of Instrumentation Equipment●Increased Cooling Intensity Required for Air Conditioning</td><td><ul style="list-style-type: none">●Increased Equipment Procurement Expenditure●Increased Electricity Costs</td><td><ul style="list-style-type: none">●Prioritizing the Procurement of Equipment with Energy-saving Labels</td></tr></table>	Type	Climate-related risks	Impact Period	Description of Risk Contents	Potential Financial Impact	Adaptation and Response Measures	Transition Risks	Policies and Regulations					Regulations Related to Renewable Energy and Carbon Reduction	Medium-term	<ul style="list-style-type: none">●Adjustment of Taiwan Power Company's electricity rates●Establishment and Adjustment of Climate-Related Regulations in Taiwan	<ul style="list-style-type: none">●Increased Energy Costs●Increased Carbon Reduction Costs	<ul style="list-style-type: none">●Periodically Promoting Energy Conservation to Tenants and Employees●Prioritizing the Procurement of Equipment with Energy-saving Labels●Keeping Abreast of Relevant Regulatory Information	Physical Risks	Immediate					Extreme Weather Events such as Typhoons and Floods	Short-term	<ul style="list-style-type: none">●Potential Equipment, Personnel, and Facility Losses●Personnel Attendance Rate Affected	<ul style="list-style-type: none">●Annual Budget Allocation for Insurance Premiums●Equipment, Facility, and Personnel Losses	<ul style="list-style-type: none">●Purchase Relevant Property Insurance●Establish Comprehensive Disaster Prevention Measures	Long-term					Changes in Rainfall Patterns	Medium-term	<ul style="list-style-type: none">●Causing Flooding●Causing Droughts (or Water Restrictions)	<ul style="list-style-type: none">●Increased Construction and Maintenance Costs (due to the installation of waterproof barriers and water storage facilities)	<ul style="list-style-type: none">●Occasionally promote the Importance of Environmental Protection and Energy Conservation to Tenants and Employees	Average Annual Temperature Increase	Long-term	<ul style="list-style-type: none">●Reduced Lifespan of Instrumentation Equipment●Increased Cooling Intensity Required for Air Conditioning	<ul style="list-style-type: none">●Increased Equipment Procurement Expenditure●Increased Electricity Costs	<ul style="list-style-type: none">●Prioritizing the Procurement of Equipment with Energy-saving Labels
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3.Describe the financial impact of extreme weather events and transition actions. °	3.The company engages in proactive climate actions by conducting scenario simulations to anticipate potential climate-related financial impacts in the future. We have formulated plans for risk response and mitigation measures, as well as crisis management mechanisms, including the active promotion of green energy and environmental protection policies to comprehensively reduce the corporate operational carbon footprint. However, these actions may lead to increased energy and carbon reduction costs.																																											
4.Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	4.The members of the Sustainability Report Preparation Team occasionally discuss the potential impacts of various issues on the organizations, internal and external farces, including identifying and assessing climate change risks and responding to climate-related impacts. After identifying climate-related impacts, meetings are held with department heads to discuss climate-related risks and opportunities. Recommendations and measures are proposed to address the potential harm caused by risks, with a focus on adapting and mitigating climate financial risks. Additionally, corresponding climate financial opportunities are identified.																																											

<p>5. When using scenario analysis to assess resilience in the face of climate change risks, it is necessary to outline the scenario, parameters, assumptions, analysis factors, and key financial impacts.</p> <p>6. If there is a transformation plan to address climate-related risks, please provide details of the plan, including the indicators and goals used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.</p> <p>8. If climate-related goals are set, information should be provided on the activities covered, scope of greenhouse gas emissions, planning schedule, progress achieved each year, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, details should be provided on the source and quantity of carbon offsets or the quantity of RECs exchanged.</p> <p>9. Greenhouse Gas Inventory and Verification Situation, along with Reduction Targets, Strategies, and Specific Action Plans.</p>	<p>5. The company conducts scenario analysis based on the Nationally Determined Contributions (NDCs) outlined in the Paris Agreement and relevant domestic regulations (such as the Greenhouse Gas Reduction and Management Act and the Renewable Energy Development Act) to estimate the financial impact of future electricity costs. Under the scenario where Taiwan aims to reduce greenhouse gas emissions by 50% from Business-As-Usual (BAU) levels by 2030, and if the proportion of renewable energy in Taiwan increases to 40% as planned in national energy policy, the electricity unit price of Taiwan Power Company is projected to rise to 3.88 NTD/kWh in 2030 due to the higher costs associated with renewable energy. Consequently, the cost of purchasing electricity from external sources is expected to increase as well.</p> <p>6. The company has established energy-saving and carbon reduction measures to reduce the impact of climate change risks. We promote energy management in offices and public areas, waste reduction, and implement green procurement practices. We prioritize the purchase of products with energy-saving and environmentally friendly labels. In accordance with government regulations, we ensure effective energy conservation and carbon reduction to achieve our goals of reducing carbon emissions, conserving energy, and fostering an eco-friendly environment.</p> <p>7. None.</p> <p>8. The company has currently planned and implemented relevant operations according to the "Corporate Governance 3.0 - Sustainability Blueprint." We are scheduled to complete the greenhouse gas inventory by 2026 and obtain verification of the greenhouse gas inventory by 2028 as required.</p> <p>9. In accordance with the "Sustainable Development Pathway for Listed Companies" issued by the Financial Supervisory Commission in March 2022, the company, as a company with a paid-in capital of less than 5 billion NTD, is subject to Stage 3 requirements for greenhouse gas inventory (i.e., completion of inventory by 2026 and verification by 2028). We will continue to monitor the progress of greenhouse gas inventory and verification disclosure schedules in accordance with the reference guidelines and relevant regulations issued by the regulatory authority and report to the board of directors quarterly.</p>
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(8). Implementation of ethical corporate management and the difference(s) from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason(s) for such difference(s).

Assessment Item	Implementation Status			Difference(s) from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Such Difference(s)
	Yes	No	Summary	
I. Formulate ethical management policies and programs				
(I) Does the Company formulate ethical management policies approved by the board of directors and specify the policies, measures and the board of directors and senior managements' commitment on actively implementing the policies in the rules and external documents?	Yes		(I)The Company specifies in its rules and external documents that the ethical management policies are in compliance with relevant regulations, and the board of directors and senior management all have to abide by relevant regulations to implement the policies.	(I) Compliant.
(II) Does the Company establish a risk assessment mechanism for unethical conduct, assess the risks of unethical conduct within the business scope on a regular basis, and accordingly adopt programs to prevent unethical conduct, which at least include the prevention measures stipulated in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	Yes		(II)The Company strictly requires compliance with corporate ethics, upholds a corporate culture of integrity and honesty, and creates a sustainable development business environment.	(II) Compliant.
(III) Does the Company stipulate proper procedures, behavioral guidelines, disciplinary actions and complaint systems in the programs to prevent unethical conduct, implement practically and regularly review and revise the said programs?	Yes		(III)The status of the Company's unethical conduct prevention programs and the procedures, behavior guidelines and education and training in the relevant programs are handled in accordance with regulations and internal control and other operating procedures.	(III) Compliant.
II. Implementation of ethical management				
(I) Does the Company assess a trading counterpart's ethical management record and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	Yes		(I) The Company, in accordance with relevant rules and upholding the ethical principles, assesses a trading counterpart's ethical management record prior to establishing trading relationships.	(I) Compliant.
(II) Does the Company have a unit that specializes in business integrity, and this unit report regularly (at least once a year) to the board of directors on the ethic management policies and unethical conduct prevention programs and on the monitoring of their implementation?	Yes		(II) The promotion and audit on corporate ethic management of the Company are handled by the audit department, which also makes relevant reports in the board meetings.	(II) Compliant.
(III) Does the Company formulate any policy against conflict of interest, provide adequate channel thereof, and implement it practically?	Yes		(III) In accordance with the internal control procedures and related regulations, the Company's audit department performs the prevention of conflict of interest and provides reporting channels.	(III) Compliant.
(IV) Does the Company implement ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit to plan and conduct periodic audits on the compliance status of the programs that prevent the unethical conduct according to the unethical conduct risk assessment result, or appoint a CPA to perform the audit?	Yes		(IV) The Company operates in accordance with the established accounting system and internal control system and is audited by internal auditors in accordance with the rules.	(IV) Compliant.
(V) Does the Company organize internal/external education training programs for ethical management regularly?	Yes		(V) Whenever there is an external training of ethical management, the Company would arrange personnel to attend. It would often promote ethical management internally as well.	(V) Compliant.
III. Status of the Company's complaint system				
(I) Does the Company establish specific complaint and reward procedures, set	Yes		(I) The Company appoints the chief internal auditor as the complaint	(I) Compliant.

Assessment Item	Implementation Status			Difference(s) from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Such Difference(s)
	Yes	No	Summary	
up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?			channel, and the complaint matters are evaluated and sent to the Company's regular supervisory meeting for discussion and handling.	
(II) Does the Company establish standard operating procedures for investigating the complaints received and ensuring such complaints are handled confidentially?	Yes		(II) The Company handles in accordance with relevant rules.	(II) Compliant.
(III) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	Yes		(III) The Company handles in accordance with relevant rules.	(III) Compliant.
IV. Strengthen the Information Disclosure Does the Company disclose the established ethical management principles as well as its implementation status on the corporate website and MOPS?	Yes		The Company discloses ethical management related information on MOPS in accordance with relevant regulations.	Compliant.
V. If the Company has established its own ethical management principles based on “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe their implementation and differences from the principles: None.				
VI. Other important information to facilitate a better understanding of the company’s corporate conduct and ethics compliance practices (e.g., review the company’s corporate conduct and ethics policy): None.				

(9). Items that shall be disclosed with respect to the implementation of internal control system:

(i) Statement on internal control

Wan Hwa Enterprise Company Ltd.
Statement on Internal Control

March 11, 2025

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year of 2024:

- I. The Company's board and management are responsible for establishing, implementing and maintaining a proper internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability of our financial reporting and compliance with applicable laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and we take immediate remedial actions in response to any identified deficiencies.
- III. We evaluate the design and operating effectiveness of the internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein blow, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: 1. Control environment. 2. Risk assessment. 3. Control activities. 4. Information and communication. 5. Monitoring. Each component has its own items. Please see the Regulations for details.
- IV. We have evaluated the design and operating effectiveness of our internal control system according to the aforementioned Regulations.
- V. Based on the findings of such evaluation, we believe that on December 31, 2024, it has maintained, in all material respects an effective internal control system to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting and compliance with applicable laws and regulations.
- VI. This Statement will be an integral part of the Company's annual report, and will be made public. Any falsehood, concealment or other illegality in the content made public will entail legal liability under Article 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the board in the meeting held on March 11, 2025, with none of the five attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Wan Hwa Enterprise Company Ltd.

Chairman: Mao-Chang Tsai. Signature

President: Ya-Chen Wu Signature

(ii) Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(10). Material resolutions of a shareholders meeting or board of directors meeting during the most recent fiscal year or the current fiscal year up to the date of publication of the annual report.

(I) Shareholder meeting

Date: June 24, 2024

Important resolutions and implementation status:

- (1) Recognition of the 2023 final accounts. (In accordance with the rules)
- (2) Recognition of the 2023 earnings distribution. (In accordance with the rules)
- (3) Approval of the 2023 earning distribution by cash dividends. (Already announced on the Market Observation Post System, and distributed on October 7, 2024.)
- (4) Completion of the re-election of directors. (Information has been sent to the Market Observation Post System)
- (5) Approval of the resolution to lift the non-competition restrictions on directors. (In accordance with the rules)

(II) Board of directors

Date: March 12, 2024

Important resolutions:

- (1) Approval of the distribution of employees' and directors' remuneration for 2023. (In accordance with the rules)
- (2) Recognition of the 2023 final accounts. (Proposed to the 2024 general shareholders' meeting for recognition)
- (3) Recognition of the 2023 Statement on Internal Control. (Information has been sent to the Market Observation Post System)
- (4) Recognition of the 2023 earnings distribution. (Proposed to the 2024 general shareholders' meeting for recognition)
- (5) Amendment of certain articles of the Audit Committee Organization Regulations. (In accordance with the rules)
- (6) Amendment of certain articles of the Board of Directors Meeting Rules. (In accordance with the rules)
- (7) Review of the independence of the auditor for 2024. (In accordance with the rules)
- (8) Approved the re-election of directors. (Propose re-election at the 2024 shareholders' meeting)
- (9) Approved to propose nomination of two director and three independent director nominees of the Company. (Propose re-election at the 2024 shareholders' meeting)
- (10) Approved to lift restrictions on the non-compete clause of the board of directors. (To be submitted to the 2024 shareholders' meeting for approval)
- (11) Setting of the date, place and proposals of the 2024 general shareholders' meeting. (Proposed to the 2024 general shareholders' meeting)

(III) Board of directors

Date: May 9, 2024

Important resolutions:

- (1) Release of the 2024Q1 financial statements.
- (2) Approved amendment to the internal control of shareholder services. (In accordance with the rules)
- (3) Approved amendment to Certain Articles of the Procedures for the Preparation and Reporting of the Sustainability Report. (In accordance with the rules)
- (4) Approval of the list of directors nominated (Including independent directors). (Proposed to the 2024 general shareholders' meeting for re-election)

(IV) Board of directors

Date: June 24, 2024

Important resolutions: None. (A proposal to elect Director Mao-Chang Tsai as the Chairman of the Board for the new term.)

(V) Board of directors

Date: August 8, 2024

Important resolutions:

- (1) Release of the 2024 Q2 financial statements.
- (2) Setting of the "ex-dividend date" and "dividend distribution date." (Has been announced on the Market Observation Post System, and released)
- (3) Approval of the 2023 Sustainability Report. (Information has been sent to the Market Observation Post System)
- (4) Approval of the change in the Corporate Governance Officer. (The information has been disclosed on the Market Observation Post System in accordance with regulations.)

(VI) Board of directors

Date: November 7, 2024

Important resolutions:

- (1) Release of the 2024 Q3 financial statements.
- (2) Approval of the 2025 annual audit plan. (Been implemented by the audit department in accordance with the plan)
- (3) Approved to adjust the amounts of pay grades for employees. (Implemented by the salary and remuneration committee in accordance with the regulations of the Ministry of Labor)
- (4) Approval of the amendments to the Sustainability Information Management Guidelines. (In accordance with the rules)

(VII) Board of directors

Date: March 11, 2025

Important resolutions:

- (1) Approval of the distribution of employees' and directors' remuneration for 2024. (In accordance with the rules)
- (2) Recognition of the 2024 final accounts. (Proposed to the 2025 general shareholders' meeting for recognition)
- (3) Recognition of the 2024 Statement on Internal Control. (Information has been sent to the Market Observation Post System)
- (4) Recognition of the 2024 earnings distribution. (Proposed to the 2025 general shareholders' meeting for recognition)
- (5) Amendment of certain articles 25, 26, and 29 of the Company's Articles of Incorporation. (To be submitted to the 2025 annual general shareholders' meeting for approval)
- (6) Review of the independence of the auditor for 2025. (In accordance with the rules)
- (7) Setting of the date, place and proposals of the 2025 general shareholders' meeting. (To be proposed at the 2025 annual general shareholders' meeting)

(VIII) Board of directors

Date: May 8, 2025

Important resolutions:

- (1) Release of the 2025Q1 financial statements.
- (2) Approved amendment to the internal control system of shareholder services unit. (In accordance with the rules)

- (11).Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion had been recorded or prepared as a written declaration, disclose the principal content thereof: None.

4. Professional Fees to CPA:

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Tung-Ju Hsieh	01/01/2024 -	2,080	140	2,220	
	Yung-Hsiang Chao	12/31/2024				

5. Information of CPA replacement: Not Applicable.

6. Where the Company's Chairman, President, Managerial Officers in Charge of Financial or Accounting Affairs Having Served with the CPA Firm or the Affiliates Thereof over the Past Year, It Shall Disclose Name, Position and the Duration of those Served with the CPA Firm: None.

7. Facts of Equity Transfer and Change in Equity Pledge by the Directors, Managerial Officers, and Shareholders with 10% Shareholdings in the Most Recent Year up to the Publication of this Annual Report:

Net Change in Shareholding by Directors, Management and Major Shareholders

Position (Note 1)	Name	2024		April 21, 2025	
		Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shareholding	Increase (Decrease) in Shares Pledged
Chairman	Today's Department Store Company Ltd. Representative: Tsai, Mao-Chang	0 0	0 0	0 0	0 0
Director	Te-Jung Hsu Foundation Representative: Wu, Ya-Chen	0 0	0 0	0 0	0 0
Independent director	Chen Yu-ying	0	0	0	0
Independent director	Liao Jia-zhong	0	0	0	0
Independent director	Chang, Jo-Hu	0	0	0	0
President	Wu, Ya-Chen	0	0	0	0
Financial Associate	Liang Yu-Wen	0	0	0	0
Major Shareholder	First Hotel Taipei	0	0	0	0
Major Shareholder	Zen Fong Investment Corporation	0	0	0	0

Note 1: Shareholders with over 10% shareholding ratio of the Company shall be remarked as major shareholders and shall be enumerated respectively.

8. Relationship among the Company's 10 Largest Shareholders where any One is a Related Party, Spouse or a Relative within the Second Degree of Kinship of another:

Related Party Relationship among the 10 Largest Shareholders

Name (Note 1)	Shareholding		Spouse & Minor Shareholding		Shareholding in the Name of Others		Name(s) of and Relationship among the Company's 10 Largest Shareholders where any One is a Related Party, Spouse or a Relative within the Second Degree of Kinship of another. (Note 3)		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relation	
Today's Department Store Company Ltd. Representative: Chiang, Kuang-Hsia	89,809,699	19.96	None	None	None	None	None	None	None
Representative of First Hotel Co., Ltd.: Ku, An-Sheng	89,809,699	19.96	None	None	None	None	None	None	None
Representative of Zen Fong Investment Corporation: Chen, Mei-Chen	52,258,768	11.61	None	None	None	None	None	None	None
Representative of Lee Ming Investment Corporation: Hsu, Li-Chu	39,503,789	8.78	None	None	None	None	None	None	None
Representative of Mandarin Investment Corporation: Cheng, Chien-Chung	21,667,790	4.82	None	None	None	None	None	None	None
Representative of Carnival Investment Corporation: Ni, Ssu-Wei	19,801,196	4.40	None	None	None	None	None	None	None
Representative of Zenith Investment Corporation: Lin, Tsung-Ming	12,398,779	2.76	None	None	None	None	None	None	None
Ding Shun Fa Investment Corporation: Sun, Tzu-Ying	10,219,000	2.27	None	None	None	None	None	None	None
Representative of Wiseman Investment Corporation: Chen, Tsung-Tse	6,617,573	1.47	None	None	None	None	None	None	None
Representative of Wanjia Investment Corporation: Guo, Xiqing	3,963,044	0.88	None	None	None	None	None	None	None

Note 1: All top ten shareholders should be enumerated in full. In case of juristic person shareholders, the names of all such juristic person shareholders and their representatives should be enumerated respectively.

Note 2: The shareholding ratios should be calculated based on the own names, names of spouses, minor children respectively.

Note 3: On the aforementioned shareholders, including juristic persons and natural persons, the relationship among them shall be disclosed.

9. Shares of Invested Businesses Jointly Held by the Company, Its Directors, Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company and Shareholding Ratio in Aggregate of the Above Parties:

2024/12/31. Unit: Shares.

Invested Enterprise	Held by the Company		Held by Directors, Managerial Officers, and Directly/ Indirectly Controlled Businesses		Total Investment	
	Shares	Shareholding Ratio	Shares	Shares Ratio	Shares	Shares Ratio
Today's Hotel Corporation and Subsidiaries (Note)	10,200,000	30.36	-	-	10,200,000	30.36
Wan Hwa International Investment Co., Ltd (Note)	497,347	49.87	-	-	497,347	49.87

Note: Investments accounted for using the equity method.

IV. Capital Overview

1. Capital and Shares

(1). Capital source

2025/4/21

Year/ Month	Issue Price	Registered capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Capital Source	Capital Increase by Assets Other than Cash	Others
2018/9	10	450,000,000	4,500,000,000	449,967,838	4,499,678,380	Capitalization of retained earnings for NT\$111,888,630.	None	

Note: September 17, 2018 Letter No. Economic-Authorized-Commerce-10701116690

Share Type

2025/4/21

Share Type	Registered capital			Remarks
	Outstanding Shares (Note)	Unissued Shares	Total	
Common Stock	449,967,838	32,162	450,000,000	

Note: Listed stocks.

(2). List of major shareholders

2025/4/21

Share Name of major shareholder	No. of shares held	Shares Ratio
Today's Department Store Company Ltd.	89,809,699	19.96
First Hotel Co., Ltd.	89,809,699	19.96
Zen Fong Investment Corporation	52,258,768	11.61
Lee Ming Investment Corporation	39,503,789	8.78
Mandarin Investment Corporation	21,667,790	4.82
Carnival Investment Corporation	19,801,196	4.40
Zenith Investment Corporation	12,398,779	2.76
Ding Shun Fa Investment Corporation	10,219,000	2.27
Wiseman Investment Corporation	6,617,573	1.47
Wanjia Investment Corporation	3,963,044	0.88

(3). The Company's dividend policy and implementation

(i) Dividend Policy Adopted in the Company's Articles of Incorporation

Article 26-1: Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (however, provided the legal reserve has reached the amount of the Company's paid-in capital, this may not apply), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The Company is a stable and growing company. In order to meet the operational development plan and achieve the goal of the diversified operation, and to consider the Company's future capital needs and long-term financial planning, incase shareholder dividend is distributed, the cash dividend portion should be no less than 10% of the shareholder dividend distributed that year.

(ii) Dividends Distribution Status

The Company's board proposed the 2024 profit distribution plan shown as follows:

Cash dividends: Proposed to distribute NT\$125,990,995. Based on the 449,967,838 outstanding shares, NT\$0.28 per share will be distributed. Upon the approval of the 2025 general shareholders' meeting, the board of directors is authorized to set the "ex-dividends date" and announce it by law.

2024 Earnings Distribution Table

Unit : NTD

Undistributed earnings - beginning		1,252,505,184
Net profit of 2024	229,644,215	
Remeasurements of defined benefit plan recognized in retained earnings	854,428	
Net profits for the period plus the items other than net profits for the period included in unappropriated earnings for the year		230,498,643
Provision of legal reserve (10%)		(23,049,864)
Distributable earnings for the period		1,459,953,963
Distribution items:		
Dividends to shareholders		(125,990,995)
Cash dividends - NT\$ 0.28 per share	(125,990,995)	
Undistributed earnings at the end of the period		1,333,962,968

Note: 1. The proposed distribution in this table for 2024 will be effective upon approval at the 2025 annual shareholders' meeting.

2. The registration is subject to the regulations of the Ministry of Economic Affairs.

(iii) The impact of bonus shares proposed by the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.
The Company does not have bonus shares for 2024.

(iv) Remuneration of Employees and Directors

1. The percentages or ranges with respect to employee and director compensation, as set forth in the Company's Articles of Incorporation.

Article 26: Where the Company made a profit in a fiscal year, it shall set aside NT\$ 1 million as remuneration of employees; the Company may set aside up to 3% of the said profit as remuneration of directors; the aforementioned remuneration of employees and directors shall be resolved by the board meeting and submitted to the shareholders meeting.

However, the Company's accumulated losses shall have been covered prior to setting aside remuneration of employees and directors in accordance with the previous paragraph.

2. Remuneration distribution approved by the Board:

- (1) NT\$1 million for employee remuneration and NT\$3.92 million (1.39% of profit) for director remuneration are distributed in accordance with the Company's Articles of Incorporation, all paid in cash.

- (2) Number of shares as stock dividends for employees and the its percentage of the recapitalization of profit: None

3. The distribution of employees and directors, supervisor remuneration for the previous fiscal year:

The 2023 NT\$1 million for employee remuneration and NT\$3.92 million for director remuneration actually paid in 2024 were consistent with the amount originally approved by the board.

(v) Buyback of Common Stock: None.

2. Issuance of Corporate Bonds:[None]

3. Issuance of Preferred Shares:[None]

4. Issuance of Global Depositary Receipts:[None]

5. Issuance of Employee Share Subscription Warrants:[None]

6. Merger and Acquisitions or Transfers of Other Company's Newly Issued Shares:[None]

7. Implementation of the Capital Utilization Plan:

(1) Description of the plans: With respect to each uncompleted public issue or private placement of securities, or to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: (None).

(2) Implementation Status: (Not Applicable)

V. Operational Highlights

1. Business Activities

(1). Business scope

Core businesses and their proportion of the overall business:

The Company mainly engages in leasing, movies and entertainment businesses.

The lease income was NT\$219,005 thousand, accounting for 76% of the operating income, and income of education and recreation (movies and amusement) was \$70,997 thousand, accounting for 24% of operating income.

(2). Industry highlights

A listing of the Company's research and development expenditures, as well as technologies and/or products, successfully developed during the current fiscal year up to the date of publication of the annual report, and an overview of the research and development plan for the coming year. [None]

(3). R&D highlights: (None)

(4). Long and short-term business development plan

(i) Short-term: Expiring lease contracts will have renewal or new tenants. In terms of education and entertainment, improvements will be made to amusement facilities. (ii) Long-term: Diversify domestic investment and seek investment opportunities overseas.

2. Market and Production Overview:

(1). Market analysis:

(i) Leases:

The Company's Wan Hwa Enterprise Building on the Zhonghua Road is on a leisurely and cozy street, faces a wide and clean boulevard, and is located at the exit of the MRT station and a few minutes' drive from the Taipei Main Station, which is convenient for transportation. This sky-blue building stands among the high-end commercial buildings in the heart of Zhonghua Road business district, has great potential. Current

rental targets are business hotels, restaurants and supermarkets.

Another building of the Company is Wanhwa Education and Recreation Building which is located on Emei Street in Ximending. Being a long-established and new recreational area, Ximending has always been a center of recreation and shopping for young people, with visitors from all over the world. This building shares the prosperity with the development of Ximending. Current rental targets are commercial complexes and restaurants.

(ii) Recreational activities (cinema and amusement park)

In addition to the Company, there are several cinemas in Ximending, such as the Ambassador, in89 Digital, LUX, and Cinemark, all of which provide excellent services with digital projection equipment and quality audio and video effects.

Since Ximending is mainly a leisure activity area for young people, there are mostly small-scale amusement parks with motorized rides. Amusement parks with larger scale are the Company, Wannian Mansion, and Cinemark Building, but only the Company has a baseball batting cage and a shooting gallery.

(2). Main businesses

(i) Leasing: Lease out the commercial complex to department stores, bookstores, restaurants, convenience store, business hotels, etc.

(ii) Recreation: Amusement Park located on the 8th floor and roof of the Education and Recreation Building on Emei Street, including motorized rides, sports and educational activities.

(iii) Cinema: The Cinema located on the 4th, 6th and 8th floors of the Education and Recreation Building on Emei Street.

(3). Supply situation for major raw materials. [None]

(4). A list of major suppliers and clients of the Company in either of the two most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each. [None]

3. Employee Profile of the Most Recent Two Years up to the Publication of this Annual Report

Year		2024	2023	As of March 31, 2025 (Note)
Number of Employees	Managerial Personnel	6	6	6
	Technical Personnel	1	1	1
	Service Personnel	12	14	13
	Total	19	21	20
Average Age		51	49	52
Average Years of Services		14	13	13
Highest Education Attainment	Master	11%	5%	10%
	Bachelor	47%	38%	50%
	High School	37%	52%	35%
	Below High School	5%	5%	5%

Note: Fill in the information of the current year up to the publication date of this annual report.

4. Environment Cost

Description: The Company is in the tourism and recreation industry. In order to comply with the government's measures to promote “energy saving and carbon reduction,” the Company asks employees and tenants to turn off the power or water that is not needed at all times. It also asks the tenants to cooperate by keeping the temperature in the public areas at approximately 26°C and by adjusting the number of elevators open for use depending on the number of people on weekdays and holidays in order to save electricity. The Company has always attached great importance to environmental protection measures and has not suffered any losses due to environmental pollution in recent years.

5. Labor-Management Relationship

- (1).Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:
 - (i)Employees of the Company are provided with labor and national health insurance coverage and retirement pension. For the pension based on the Labor Standards Act, the Company appropriates 2% of the total monthly wages of employees and deposits such amount in a designated account for pension reserve fund with Bank of Taiwan; for the pension based on the Labor Pension Act, the Company appropriates 6% of the total monthly wages of employees as their pension fund.
 - (ii) In 2024, employees participated in a total of 112 hours of training and development courses organized by various external institutions.
 - (iii)Status of labor-management agreements: The Company has harmonious labor-management relations.
- (2).In view of the importance of the working environment and employee safety protection measures, our company maintains the fire protection, public facilities and equipment in the workplace on a regular basis and conducts building safety and fire protection inspections in accordance with the regulations of the competent authorities. The Company also arranges for relevant managerial officers to attend the class C safety and health education and training specified for supervisors in charge of occupational safety and health held by the China Productivity Center and obtain a certificate of completion.
- (3).For personnel related to the transparency of financial information, the status of obtaining the relevant licenses designated by the competent authority: None.
- (4).List any losses suffered by the company in the most recent fiscal years and up to the annual report publication date due to labor disputes and disclose an estimate of possible expenses that could be incurred currently and, in the future and countermeasures being or to be taken: The Company has always had a sound system and related benefits (labor insurance and national health insurance) for employees, so the labor-management relationship remains

good. Everything is conducted in accordance with laws and regulations, so that both the Company and employees surely are able to cooperate harmoniously.

6. Infocomm Security Management:

(I) Configuration and maintenance of the main information system's hardware and software

1. The Company's main hardware equipment is IBM mainframe, and its software includes IBM AS/400 and the Windows operating system, which are mainly used in core business systems and supporting business systems.
2. The Company's software and hardware systems and equipment are regularly maintained by professionals and vendors, and maintenance contracts are signed to ensure the normal operation of the systems.

(II) Future development or acquisition plans

1. Establish a stable and fast information system service:

With the increasing demand for digitalization, the Company has actively set goals to complete the digital transformation of the systems. The purpose is to optimize the systems and make them more efficient and effective to reduce the human error risk and manual operation time, improve data preservation and data analysis capabilities, and enhance the decision-making quality.

2. Timely update of various software and hardware:

In response to the trend of digitalization, it is necessary to improve the information security control of the operating system, including the adjustment of hardware resources and system architecture. In order to

strengthen the security and stability of the system and make the operation process more efficient, the Company's infocomm security management guidelines were completed before the statutory deadline.

(III) Emergency backup measures and security protection measures

1. Emergency backup measures

The Company will establish a systematic backup mechanism for important information, and data will be backed up regularly. At the same time, different levels of disaster recovery measures are established according to the importance of each system. A core business continuity operation plan will be formulated, and regular core business continuity operation drills will be conducted to ensure that in the event of a large-scale disaster, the system can still be restored in a short period of time and continue to meet various needs of computer operation.

2. Security protection measures

In order to implement information security, in addition to the installation of firewalls and antivirus software, an intrusion detection system will be installed and the network control mechanism will be strengthened. For each endpoint device, network device and application system, a layered security defense mechanism is adopted and matched with an information security protection system to construct a higher-standard information security defense structure to effectively protect and monitor the security of the system environment. Each office base has established various systems and network detection systems to curb the risk of Internet attacks and ensure data security.

7. Important Contracts : All of the Company's material contracts have been duly notarized by court-certified notaries. However, due to confidentiality obligations, the contents of, individual contracts will not be disclosed.

VII. Review and Analysis of Financial Position and Operating Performance, and Risk Management

I. Financial position:

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current asset	\$ 1,877,113	\$ 1,792,320	\$84,793	4.73
Property, Plant and Equipment	345,216	345,837	(621)	(0.18)
Real estate investment -- Net	1,330,630	1,332,434	(1,804)	(0.14)
Other assets	6,229,261	6,090,317	138,944	2.28
Total assets	9,782,220	9,560,908	221,312	2.31
Current liabilities	152,988	165,226	(12,238)	(7.41)
Long-term liabilities	1,149,395	1,110,831	38,564	3.47
Total liabilities	1,302,383	1,276,057	26,326	2.06
Equity attributable to shareholders of the parent company	-	-	-	-
Share capital	4,499,678	4,499,678	-	-
Capital surplus	-	-	-	-
Retained earnings	2,835,199	2,730,692	104,507	3.83
Other adjustments to shareholders' equity	1,144,960	1,054,481	90,479	8.58
Total shareholders' equity	8,479,837	8,284,851	194,986	2.35
Main reasons for changes exceeding 20% in the past two years, where the amount also exceeds 1% of total assets: None.				
Impact of financial condition changes in the past two years: The aforementioned changes had no material impact on the Company.				

2. Financial performance

(1). Comparative analysis of financial performance

Unit: NTD thousand

Item	2024	2023	Increase/Decrease Amount	Change in % (%)
Operating income	\$290,002	\$297,185	\$ (7,183)	(2.42)
Operating cost	<u>89,077</u>	<u>97,562</u>	<u>(8,485)</u>	(8.70)
Gross Margin	200,925	199,623	1,302	0.65
Operating expenses	<u>35,248</u>	<u>32,846</u>	<u>2,402</u>	7.31
Operating profit	165,677	166,777	(1,100)	(0.60)
Non-operating income and loss	<u>110,902</u>	<u>123,217</u>	<u>(12,315)</u>	(10.00)
Profit before taxation	276,579	289,994	(13,415)	(4.63)
Income tax expense	<u>46,935</u>	<u>52,654</u>	<u>(5,719)</u>	(10.86)
Net profit	<u>\$229,644</u>	<u>\$237,340</u>	<u>\$ (7,696)</u>	(3.24)
Main reasons for changes exceeding 20% in the past two years, with the amount exceeding 1% of total assets: None.				
Impact of changes in financial performance over the past two years: The aforementioned changes had no significant impact on the Company.				

3. Cash flow

(1) Liquidity analysis in the past two years

Item \ Year	2024	2023	Increase (decrease) percentage (%)
Cash flow ratio (%)	84.93	97.65	(13.03)
Cash flow adequacy ratio (%)	101.15	95.34	6.09
Cash flow re-investment ratio (%)	0.01	0.59	(98.31)
Analysis of percentage increase / decrease:			
Cash flow re-investment ratio: The difference was mainly due to a decrease in net cash inflows from operating activities compared to 2023.			

(2) Cash flow analysis for the coming year:

Unit: NTD thousand

Opening cash balance Balance ①	Estimated cash flow from operating activities of the year Net Cash Flow ②	Estimated cash outflow for the year ③	Estimated amount of cash surplus (shortfall) ① + ② - ③	Remedy for insufficient cash	
				Investment plan	Financial plan
256,151	200,000	150,000	306,151	-	-

4. Impact of major capital expenditures on financial operations: [None]
5. Main Causes for Profits or Losses of the Investment Strategy in the Most Recent Year, the Improvement Plans and the Investment Plans for the Coming Year: [None]
6. Risks should be analyzed and assessed for the most recent years and as of the publication date of the annual report:
- (1) Impact of interest rate, exchange rate fluctuation and inflation on the Company's profit and loss and the future responsive measures: The impact of interest rate, exchange rate change and inflation have little impact on the Company's income for 2024 and up to the date of publication of the annual report.
 - (2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions are the main reason contributing to its profits and losses and the response measures to be taken in the future: The company does not engage in high-risk or high-leverage investment, capital loans to others, endorsement guarantees, and derivative transactions.
 - (3) R&D projects and the projected R&D expenses. [None]
 - (4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response. [None]
 - (5) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response. [None]
 - (6) Effect on the Company's crisis management from changes in the Company's corporate image, and measures to be taken in response. [None]
 - (7) Expected benefits and possible risks associated with any merger and acquisitions. [None]
 - (8) Expected benefits and possible risks associated with any plant expansion. [Not applicable]
 - (9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken. [Not applicable]
 - (10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise

changed hands, and mitigation measures being or to be taken. [None]

(11) Effect upon and risk to Company associated with any change in governance personnel or top management. [None]

(12) Litigation or non-litigation incidents. [None]

(13) Other important risks, and mitigation measures being or to be taken. [None]

7. Other important matters. [None]

VIII. Special Matters to be Included

1. Information on Affiliates [Not applicable]
2. Private Placement of Securities in the Most Recent Year up to the Publication of this Annual Report: [None]
3. Other important supplementary information: [None]

IX. Events with material impact in accordance with Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: [None]