

TKK

TAIWAN KONG KING CO., LTD.



2023 Sustainability Report

This cover was designed by TKK employees with disabilities

Edited by: Taiwan Kong King Co., Ltd.

July, 2024

(This report is available at: <http://www.tkk.com.tw>)



TAIWAN KONG KING CO., LTD.

Table of Contents

PREFACE	1
WRITING PRINCIPLES	1
I. MESSAGE FROM THE TOP MANAGEMENT	2
II. COMPANY PROFILE	4
III. INTERESTED PARTIES IDENTIFICATION AND COMMUNICATION	23
IV. CORPORATE GOVERNANCE	27
V. ENVIRONMENTAL SUSTAINABILITY	42
VI. HAPPY ENTERPRISE	50
VII. CUSTOMER SERVICE AND SUPPLIER MANAGEMENT	63
VIII. SOCIAL WELFARE AND ENVIRONMENTAL SAFETY AND HEALTH MANAGEMENT ...	66
IX. CODE OF CONDUCT AND ETHICS FOR EMPLOYEES	72
X. GRI CONTENT INDEX	73



Preface

The company issued the corporate social responsibility report (now called the sustainability report) for the first time in February 2014, and regularly updated the sustainability report and announced it on the company website. In the future, this report will continue to be updated regularly, and the company's operating results other than financial indicators will be disclosed to the public. If there are any questions about this report, please fill out the inquiry form on the company website, and we will reply you.

Writing Principles

The information disclosure period of this report is from January 1, 2023 to December 31, 2023 in terms of performance in various fields of corporate social responsibility. The source of financial data contained in this report is the consolidated financial statements in the 2021 annual report. In terms of environment and society, Taiwan Kong King Co., Ltd. (hereinafter referred to as "TKK") is the information disclosure boundary. There is no major change in the scope and boundary of this report from the previous report, and there is no major change in the size, structure or ownership of the company during the reporting period, and there are no events that seriously affect the report.

The structure of this report is written in accordance with the framework of the Global Reporting Initiative (GRI)'s Standards version - Sustainability Reporting Guidelines that came into effect on January 1, 2023, revealing the company's main sustainability issues, strategies, goals and measures, and provides a comparison table of GRI Standards indicators at the end of the text, but without external assurance and confirmation.

The financial data disclosed in this report comes from the consolidated financial report verified by Ernst & Young, according to the Financial Reporting Standards for Securities Issuers and other International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Announcements approved by the Financial Supervisory Commission. Another international standard that the report has been verified is ISO 9001 Quality Management System.



I. Message from the Top Management

In 2015, the United Nations announced the "2030 Sustainable Development Goals" (Sustainable Development Goals, SDGs), expecting sustainable development to become a common practice among human beings, and proposed 17 goals for economic, social and environmental protection, including eradicating poverty, mitigating climate change, and promoting gender equality, etc. as a guidance for the global to move towards sustainability.



整理：Impact Hub Taipei

With the global focus on corporate social responsibility and environmental protection issues, economic performance is no longer the only important topic. In order to practice corporate social responsibility and promote the balance and sustainable development of the economy, society and environmental ecology, TTK will, through specific actions to deepen corporate social responsibility, continue to review sustainability-related issues, and move towards the goal of sustainable management.



In terms of economy, as a professional agent of the electronics industry, the company, in order to become the most solid support for the customers, other than the existing advanced equipment, materials and key components, also actively entering the field of new manufacturing processes, growing together with our customers and suppliers.

Our company's performance in 2023 remained stable and profitable. As of the end of 2023, the consolidated operating revenue was NT\$1,802,085 thousand, a decrease of 29.75% compared to NT\$2,565,379 thousand in 2022. The net profit attributable to the owners of the parent company was NT\$292,582 thousand, a decrease of 38.84% compared to NT\$478,384 thousand in 2022. The basic earnings per share were NT\$2.02, a decrease of 38.79% compared to NT\$3.30 in 2022. In the future, we will continue to keep the principle of steady operation, control operating costs and improve business performance, so as to maintain a reasonable profit for the company.

In terms of society and environment, in order to contribute to the protection of the earth in line with the mission of taking from the society and using it for the society, TKK will continue to introduce the most advanced green intelligence equipment, material and key technologies in the electronics industry to Taiwan market. It is our task to provide products with low energy consumption and high output value, and to work with our suppliers to develop short-chain supply solutions to reduce carbon footprint and environmental impact. In addition to green procurement, the company implements various environmental protection activities and formulates energy-saving and carbon-reduction goals, hoping to contribute to global climate change by optimizing energy management internally and participating in environmental-friendly activities externally.

As a well-established enterprise, the company does not fall behind in public welfare. TKK has supported the public welfare organization "Puren Youth Care Foundation" over a long period of time by providing resources for the youth development in rural area. TKK also sponsors "TPCA Environment Foundation" ("TPCF") to hold green and sustainability campus tours to share the concept of sustainable environment. These bring positive influence to the society and also display the corporate value.



II. Company Profile



TKK was established on June 14, 1966. The head office is located in Taoyuan City. The company is a professional agent of high-tech products. With the goal of "professional service and customer satisfaction" and the attitude of taking customer service as the top priority, TKK provides customers the most advanced technical resources and production equipment which include: printed circuit board equipment, semiconductor equipment, solar energy equipment, optical storage equipment, chemical material equipment, liquid crystal display equipment and application software for the above equipment. With the complete product line and the professional experience and technology, we provide customers the total solution services.

A. Company History

1977	Taiwan Kong King was established and entered into the PCB industry.
1983	The Taipei office moved to Luzhu, Taoyuan.
1989	Established Kaohsiung Office.
1994	Entered into SMT industry.
1995	Purchased and moved to the new office building (Zhongzheng International Building, Luzhu, Taoyuan).
1996	Expanded the services for semiconductor industry equipment.
1998	ISO 9002 certified.
1998	Established Hsinchu Office.
1999	Developed photoelectric industry equipment business.
2000	Public issuance. Developed new precision printed circuit board testing business.
2001	Established TKK HIOKI Co., Ltd. with Japanese company Hioki E.E. Corp.



2002	Expanded HDI board testing business; Re-invested Hiking Technology Co., Ltd.
2002	Verified by ISO 9001:2000.
2003	Re-invested Technology Kong King Electronics Co., Ltd. (Shanghai).
2004	Established Southern Taiwan Science Park Office.
2005	Listed in the OTC market on June 17, with the stock code 3093 and capital of NT\$272,734,000.
2006	Introduced ERP system. Established THT Technology Co., Ltd. with Japanese company Hioki E.E. Corp.
2007	Introduced CSM system. Re-invested The Kong King Technology Co., Ltd. (Suzhou).
2008	Awarded Evergreen Enterprise "Special Contribution Award" by Taoyuan City Government.
2009	The capital increased NT\$17,280,420, total paid-up capital became NT\$362,888,940.
2010	Verified by ISO 9001:2008.
2011	Awarded "A+ Club" by Global Views Monthly for the third year in a row, and was promoted as a five-star company.
2012	Hiking Technology Co., Ltd. added a new precision printed circuit board fixture manufacturing business.
2013	Received "Happy Enterprise Award" from Taipei City Government and "Service Quality Excellence Award" from Taoyuan City Government.
2015	Ranked top 5% of all OTC companies from the first corporate governance review.
2015	Selected as one of the top 100 giants in the 2015 CSR Corporate Citizenship Awards of the CommonWealth Magazine.
2016	Selected as one of the top 100 giants in the 2016 CSR Corporate Citizenship Awards of the CommonWealth Magazine.
2018	The subsidiary TTK HIOKI Co., Ltd. was renamed to TTK Precision Co., Ltd.
2019	Awarded the 2019 Outstanding Business Entity in Taoyuan area by National Taxation Bureau of the Northern Area, Ministry of Finance.
2020	Selected as one of the top 100 fast-growing companies in CommonWealth Magazine in 2020.
2022	Ranked 6%~20% of all OTC companies from the Eighth corporate governance review.
2022	Changed the par value of company shares from NT\$10 to NT\$2.5



2024 Awarded the Ministry of Economic Affairs 7th Potential Mid-Sized Enterprise Award and Outstanding Mid-Sized Enterprise Award for Creating a Friendly Workplace.

B. Operational Highlights

1. Operational results

Units: NT\$ in thousands, %

Item \ Year	Financial Summary for the last three years		
	2021	2022	2023
Operating Revenue	2,023,463	2,565,379	1,802,085
Gross profit	692,309	986,042	689,529
Operating income	354,142	592,799	353,868
Non-operating income and expenses	(20,438)	3,199	13,073
Net profit before tax	333,704	595,998	366,941
Net income (Loss)	269,997	478,384	292,582
Other comprehensive income (income after tax)	(11,851)	8,316	963
Total comprehensive income	258,146	486,700	293,545
Earnings per share (NT\$) (Note)	7.41	3.30	2.02

Note: The Company changed the par value of the shares from NT\$10 to NT\$2.5 in December, 2022.

2. Sales proportion

Units: NT\$ in thousands, %

Business Item	Sales in 2021	Sales in 2022	Sales in 2023
Electronic components, equipment and materials	1,664,765	2,017,644	1,399,258
Service revenue + Maintenance revenue	97,642	45,979	57,262
Commissions	261,056	501,756	345,565
Total	2,023,463	2,565,379	1,802,085

3. Profitability

Item	2021	2022	2023
Return on total assets (%)	17.49	24.79	15.56
Return on stockholders' equity (%)	27.25	40.86	23.81



Ratio to paid-in capital (%)	Operating profit margin	97.59	163.36	97.51
	Pre-tax income	91.96	164.24	101.12
Net Profit Margin (%)		13.34	18.65	16.24
Earnings per share (NT\$) (Note)		7.41	3.30	2.02

Note: The Company changed the par value of the shares from NT\$10 to NT\$2.5 in December, 2022.

C. Main Products

Main product type	Main products	Functions
Electronic components, equipment and materials	AOI automatic optical inspection machine, AVI automatic visual inspection machine, Exposure machine, Wet film coating (inner layer/anti-welding), Vacuum Laminator、Laminator、Mylar Peeler, Belt sander, Scrubber machine and other wet process equipment, Ceramic brush, Inductive bonding machine, Hot press, Short/Break tester, High-density test fixture, Solder ball inspection equipment, Short circuit/open circuit test OEM and patent and IC Analysis services, Chemical liquid analysis equipment, Clean & non-oxidation automation oven, Thermal Analyzer / XRF Elements Analyzer, etc.	Printed circuit manufacturing
Semiconductor package and manufacturing equipment, and electronics assembly.	Transfer type hot plate reflow/baking equipment, circulating electroplating liquid analyzer, near-infrared light concentration monitor, wafer surface cleaner, wafer coater, wafer surface contaminant inspection machine, X-Ray inspection equipment, wafer surface organic inspection machine, chip package inspection machine, high-end package die bonding machine, automated wafer transfer arm, high-end package precision printer, high-end package precision ball moulder, Short/Break tester, SMD Chip Counter, dust-free and oxygen-free ovens, Cassette cleaning machine, atomic force microscope, dispensing machine and tape crystal grain rework machine, Wafer Cleaner, BG Tape Laminator, Wafer Mounter, LC Tape Laminator, BG Tape Remover.	Semiconductor package and manufacturing, and electronics assembly.



<p>Assembly equipment, components and materials for optical communication s module</p>	<p>Precision placement machine, automatic coupling equipment, photoelectric test equipment, optical lens.</p>	<p>Optical communication industry, high-power laser module, precision optical assembly, extreme sensor assembly</p>
<p>Solar energy production process</p>	<p>Fully automatic screen printer line.</p>	<p>Solar industry</p>
<p>SMT electronic assembly</p>	<p>Selective soldering furnace, reflow oven, placement machine, fully automatic solder paste printer, automatic optical inspection machine, X-RAY inspection machine, solder paste inspection equipment, Automated IC Programming System.</p>	<p>SMT assembly</p>
<p>Others</p>	<p>Export business for Taiwan's sophisticated equipment products, Electrical testing of the generation of processing.</p>	



Quartz Chamber

Organic compounds, on the silicon wafer placed on the cell, vaporized by heating in the furnace are purged with carrier gas (He) and transferred into the top unit as sample gas. The possible size of measurement is from 3 to 12 inches (300mm).



Furnace

A Silicon wafer placed on the quartz cell is heated here and organic compounds are desorbed. Operating temperature range is between 100°C to 700°C.



D. Industry Overview

Due to the success in capturing market trends and the R & D of advanced processes, the company has established a good reputation in the market for more than 40 years and has built up the excellent ability as an agent, thus it has priority to be the agent of high-end products. After obtaining the agency rights, these advanced equipment or technologies will be actively introduced to the electronics industries in Taiwan through exhibitions, technical seminars and new product briefings, which would enhance the technical level of customers, increase competitiveness and create a win-win solution on creativity for Taiwan's electronics industry.

The company will continue its strategy on introducing high-end products and to become the professional agent with the highest market share in high-tech products in the Greater China Region.

1. Market supply and demand and future growth

(1) Printed Circuit Boards

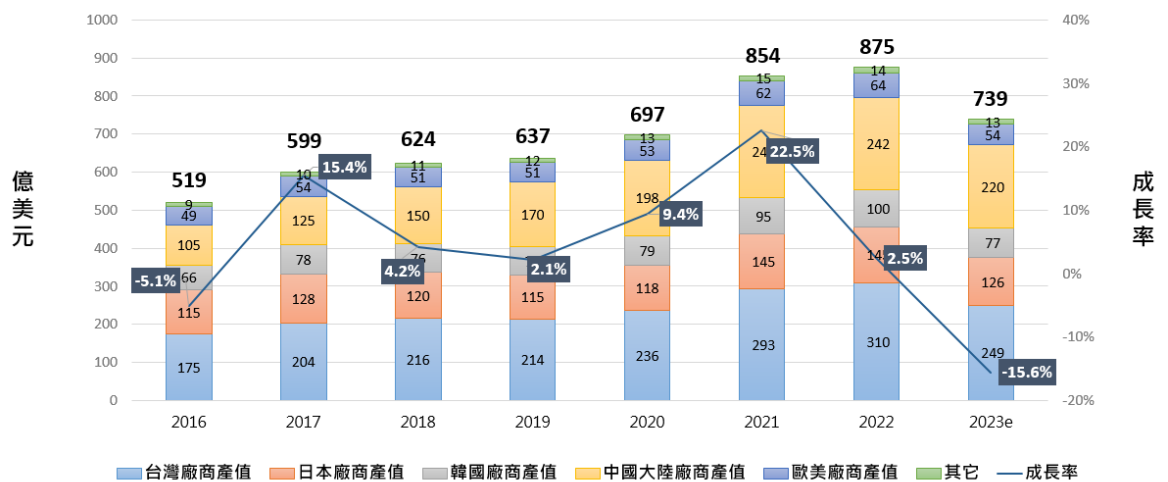
- Global PCB industry responded conservatively to the impact of the economic recession
 1. Revision of output value in 2023 following excessive demand.
- Driven by the pandemic and high-end products, global PCBs in 2021 and 2022 experienced a rare prosperity, with the upstream and downstream supply chains showing a rather optimistic outlook due to high demand and orders, which in turn led to companies adopting a more aggressive strategy in terms of spending, capacity expansion, and inventory control, as well as lowering their alertness to possible concerns about the prosperity. However, as we look back, the decline in real purchasing power caused by a persistent period of high inflation occurred at the same time, and the increased spending by both companies and consumers in the past has in fact led to a loss of momentum in 2023, coupled with the fact that manufacturers continue to actively stockpile inventories even though the momentum of consumer spending has begun to diminish and closing inventories are rising, all of which are



negative factors unfavorable to the continuous growth of output value.

In conclusion, the wave of rebound, from consumers to end brands, all the way to the upstream supply chain and eventually spread to the PCB manufacturers, has led to differences in the timeline and level of impact depending on the product types. In the end, the global PCB in 2023 ended up with a decline of approximately 15.6%, with an output value of US\$73.9 billion, and the substantial decline in 2023 may also be regarded as the result of excessive demand.

Figure 1: Global circuit board production value scale



Source: TPCA; IEK, ITRI

Note: 2023 is estimated based on Q1-Q3 data

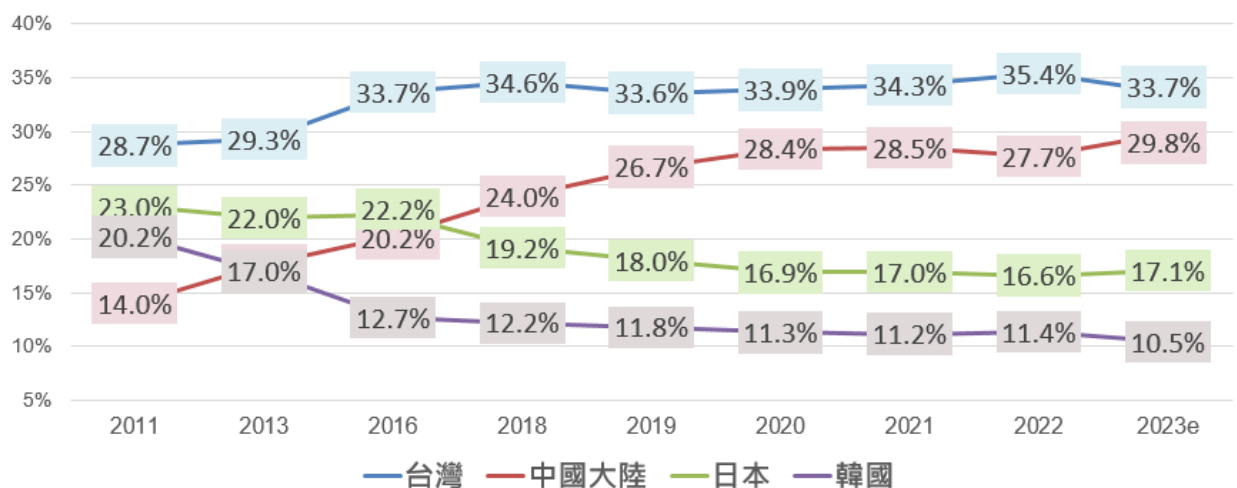
2. PCB market share funded by Mainland China will soon exceed 30%
 - Judging from the market share cycle, despite the overall downturn in 2023, the results of different suppliers varied substantially due to the differences in products and application structures. Owing to the lower proportion of substrates used, coupled with the support of vehicle applications growth against the odds, the decline of manufacturers funded by Mainland China remained single-digit, which was significantly better than the global average; in contrast, South Korea, due to its highest proportion of substrates, coupled with over



concentration of applications in the memory of the consumer electronics, the decline was more than 20%; on the other hand, despite the considerable proportion of substrates, the product structures of Japan and Taiwan were relatively balanced, part of which were vehicle applications, and the decline was somewhere in the middle of the range.

Market share is an important indicator of global status. PCB manufacturers funded by Mainland China have been focusing on hardboards over the past few years, which is not favorable in the general environment, and the growth rate was relatively low, which in turn prevented its market share from growing as it used to be. However, as the nature of competitiveness of PCB manufacturers funded by Mainland China has not declined, and there have been no significant withdrawal of product lines from the market, most of the stagnant market shares were attributable to the economic cycle factors. Based on the above, from the perspective that the growth driver of output value tends to return to the long-term average, PCB manufacturers funded by Mainland China instead became the least affected group in 2023, even with a remarkable increase in market share to nearly 30%.

Figure 2: Change in market share of major global PCB suppliers

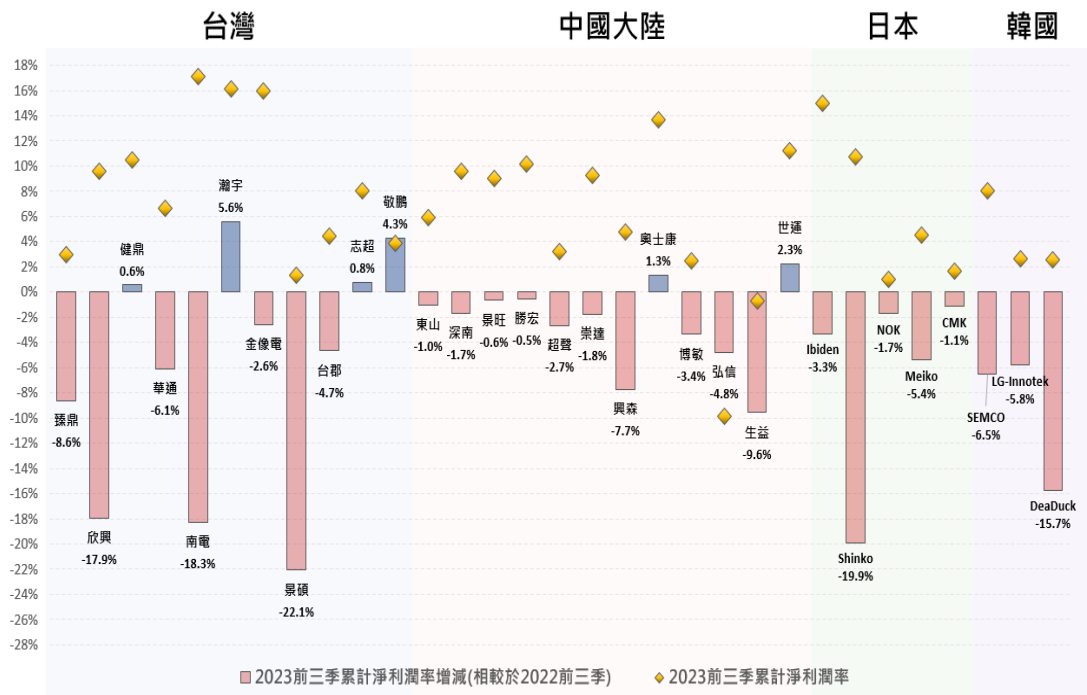


Source: TPCA; IEK, ITRI



3. Huge decline in profitability and generally lower profit margins for manufacturers
 - The overall weak market conditions have also impacted the profitability of manufacturers, if we take the first to three quarters as a statistical period, the accumulated net profit margin of the world's major PCB manufacturers of 2023 compared with the same period last year was generally reduced by 1 to 20 percent, which was a rare magnitude of change throughout the years, showing that the decreased in orders has impacted the overall product prices, production costs and operating expenses for the manufacturers. However, in terms of funding, the impact on Mainland China manufacturers was unsurprisingly less significant, while Taiwan, Japan and Korea showed considerable differences due to the different products they offer.

Accumulated net profit margins for the first three quarters of 2023 for the global major PCB manufacturers



Source: IEK, ITRI
 Note: The first three quarters refer to the period from January to September.
 Accumulated net profit margin = Accumulated net profit / Accumulated operating income.



4. Overall investments were reduced, with the exception of Thailand, where resources were concentrated

Due to the substrates fever in 2021 and 2022, in addition to Mainland China's enterprises, most of the investments in Taiwan, Japan and Korea were directed to this particular segment. While Mainland China was also actively developing substrates, many manufacturers still focused on hardboards and continued to invest additional capital. However, the uncertainty of the economic cycle, coupled with the relatively intense investment in the past, has reduced the overall number and amount of enterprises' newly-planned investments in 2023. On the other hand, the trend of supply chain shift has made Thailand a popular region for PCB industry to set up new plants or expand production capacity, but this has also led to an even more noticeable resource crowding in 2023, which was already relatively conservative in terms of investment. For example, Mainland China, which has always been aggressively expanding its plants, has observed that more than 70% of the major listed companies and enterprises that have major investment plans in the past year have their investment projects located in Thailand. Even though it takes time to increase production capacity, as far as the medium to long term is concerned, if most of the production facilities set up by major suppliers around the world are concentrated in Southeast Asia, it can be expected that the distribution of PCB production capacity globally will undergo considerable changes in the future.

- Key issues affecting the PCB industry development in 2024
 1. Major countries around the world are strengthening their semiconductor supply chains, indirectly affecting the substrate market



Ever since semiconductors became strategic supplies, the United States, China, Japan, India, Vietnam, Malaysia, and Europe have been actively developing semiconductors. However, due to the varying objective conditions in different regions, the emphasis and pace of development are also different. Mainland China is well known mainly by the national policy to support the comprehensive development of semiconductor upstream, midstream and downstream; Japan's development is based on the foundation of materials and equipment as well as the experience of semiconductor development in the past; the U.S. has attracted numerous renowned semiconductor suppliers to set up their plants based on the strategic planning and their own global influence; India is also driven by the government, albeit it is still at the initial stage; Vietnam and Malaysia are mainly focused on packaging, and the latter was originally a key investment area for the development of the packaging industry in Southeast Asia.

Even though PCBs are not the direct development subjects and targets of most regional policies, the supply chain of substrates for semiconductor chips may be indirectly altered due to differences in the location of downstream customers or other geopolitical considerations, which in turn affects the business performance of the manufacturers. In addition, given the U.S. government's aggressive approach in building the local semiconductor supply chain, the National Advanced Packaging Manufacturing Program (NAPMP) may encourage the development of substrates and allow manufacturers to move their substrate production to the U.S. at some point in the future, which would be another significant event for the substrate industry if it were to happen. In conclusion, the efforts of major countries around the world to strengthen the



semiconductor supply chain will have an indirect impact on substrate production.

2. With the launch of carbon-neutral products, the pressure on the supply chain to reduce carbon emissions has increased dramatically

There is no doubt that the supply chain of the electronics industry will have to reduce carbon emissions in line with the general environment, with the only difference being the intensity and pressure generated by the different customers. Apple, for example, not only has already achieved carbon neutrality in its global operations by 2020, it also announced its "Apple 2030" strategy, which seeks to realize carbon neutrality in its entire value chain by 2030. With 2015 as the base year, the strategy sets a 75% reduction in overall carbon emissions, with the Supplier Clean Energy Program serves as the key to promoting carbon reduction in the supply chain. Apple's carbon reduction progress has been reflected in the new products launched in 2023, such as the Apple Watch Series 9, which is the first Apple Watch to achieve carbon neutrality.

While brand customers such as Apple are still considered to be in the minority at this stage in terms of their aggressive supply chain requirements, the number of customers who will follow suit is bound to increase in the future as the global trend towards carbon reduction continues. From a supply chain perspective, the pressure from customers will also drive companies to actively seek solutions to achieve their goals. Therefore, from a stricter perspective, 2030 can be regarded as a challenge to the supply chain, and companies that fail to keep up with the pace of carbon reduction will be inevitably phased out.



3. Supply chain accelerates globalization, new PCB settlements are forming in Southeast Asia

Be it system assembly or component supply chain, they both have been affected by the global supply chain shift in recent years and have had varying degrees of relocations, with Southeast Asia, India, Mexico, and the U.S. all being popular options for relocations. In terms of the PCB manufacturers, in addition to the aforementioned Thailand, a small number of enterprises have chosen Vietnam or Malaysia, and overall, Southeast Asia will be the next emerging settlement for the PCB industry.

4. No more robust growth in point of sales, instead product specification iterations and updates will take over as the main growth drivers

While it is expected that the shipment of major end products will show a small growth in 2024, the main reason for this is that the base period volume is relatively low, instead of a significant rebound in consumer demand, and even if we look at the long term, it is generally believed that no substantial growth is likely to occur in point of sales of major PCB applications such as smartphones, notebooks, and vehicles, most notably smartphones, which have long since entered a plateau period. In other words, the expansion of global PCB output value in the next few years will be more dependent on the improvement of product specifications.

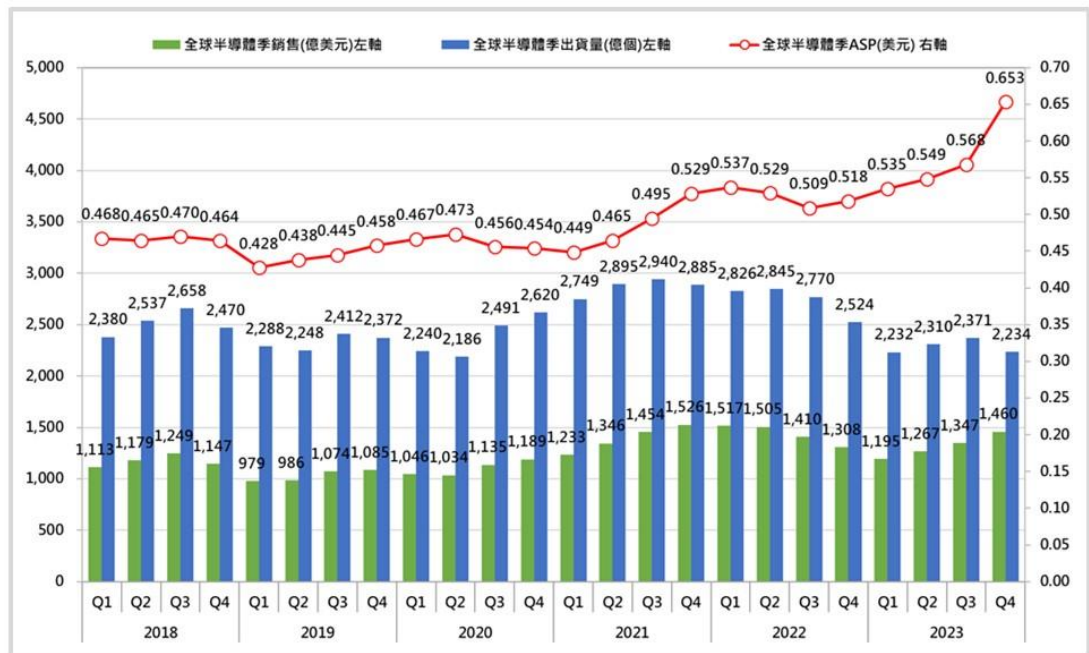
By identifying the development trend of various types of end-products and screening them based on the principle of having greater impact and will continue to grow in the next few years, we have determined that advanced packaging, autonomous driving, and AI servers will be the products that will have a remarkable impact on the output value of PCBs around the globe.



(2) Semiconductor Industry

According to the statistics by WSTS, the global semiconductor market in 23Q4 recorded a sales value of USD\$146 billion, an increase of 8.4% from the previous quarter (23Q3) and an increase of 11.6% from the same period in 2022 (22Q4); the sales volume amounted to 223.4 billion units, a decline of 5.8% from the previous quarter (23Q3) and a decline of 11.5% from the same period in 2022 (22Q4); and the ASP was US\$0.653, an increase of 15.0% from the previous quarter (23Q3) and an increase of 26.1% from the same period in 2022 (22Q4).

Global semiconductor market quarterly growth trend



註：數據源自於 WSTS 於 2024 年 02 月所發布全球半導體逐月市場值
資料來源：工研院產科國際所

- Future development trend

In the first half of 2023, the overall semiconductor market underperformed due to the weak global economy, low end-market demand, and ongoing inventory adjustments in the supply chain. In the second half of 2023, with the stabilization of inventories, the rebound of end-market demand, and the



rise of emerging applications such as generative AI, the performance of the semiconductor industry has been gradually recovering from the decline. In general, however, it was still unable to offset the severe impact of the weak demand in the first half of the year, and the global semiconductor market has shown a significant decline in operating performance throughout the year of 2023. Among them, memory manufacturers were the most affected. According to Gartner's estimation, the global memory market size will suffer a 37.0% decline in 2023, and memory manufacturers have also reduced production to cope with the economic recession in an effort to establish a better market environment for 2024. With the inventory gradually improved in the second half of the year and the rebound in end-market demand, it is expected that memory demand will recover in 2024 and become the main driving force for the overall semiconductor market growth.

In terms of Taiwan's IC industry, the output value of Taiwan's IC industry reached NT\$1,203.3 billion in Q4 2023, a 7.8% growth from the previous quarter and a 0.5% annual growth, while the supply chain inventory gradually returned to the normal level in Q4 2023, benefiting from the AI-related trends and the recovery of end-market demand (PCs, smartphones, etc.), as well as the continued growth of high-performance computing and high-end smartphones that drove the foundry operating income, all of which have led to a positive growth in Q4 2023.

Looking forward to Q1 2024, with the gradual recovery of demand in end markets such as mobile phones and PCs, as well as the continued increase in demand for AI, HPC, etc., the output value performance of Taiwan's IC industry in Q1 2024 is expected to grow compared to the same period last year,



and the quarterly decline rate will also be favorable compared to that of the same period last year. However, since this quarter coincides with the Lunar New Year, with fewer working days, and combined with the fact that Q1 is the quarter with the lowest demand in the global market cycle, it is estimated that Taiwan's IC design, manufacturing, and testing industries will show a quarterly decline. Taiwan's IC industry output value is estimated at NT\$1,140.9 billion, a 5.2% decline from the previous quarter with a 13.1% annual growth.

2. Competitive niche, favorable development prospects, unfavorable factors and countermeasures

(1) Competitive niche and favorable factors:

➤ Continuous development of quality products

Over the years, the electronics industry has been continuously upgraded and transformed. The company has penetrated the industry and accurately grasped the transformation of the industry. Its agent products have been closely related to the development of the industry and market trends.

➤ Experience in establishing a channel marketing network

Since the establishment of the company in 1977, it has adapted sales channels to Taiwan, China, Japan, Hong Kong, Philippines, Singapore, Thailand and other countries, and has formed a stable marketing network with excellent international competitiveness.

➤ Long-term close customer and supplier relationships

The company's business philosophy is "integrity". TTK has an intimate relationship with its customers and suppliers as they have grown together over the years, and experienced the difficult times and development of the Taiwan's electronics industry.

➤ Excellent and experienced service team



In addition to the sales personnel with deep understanding of the industry, the company also cooperates with professional technical and logistics personnel to form a strong service team, so it can provide customers with high efficiency and high-quality professional services.

➤ Stable financial policy

The company adopts a stable financial policy that does not expand credit and does not invest in field that are unfamiliar or unrelated to the industry.

(2) Unfavorable factors and countermeasures

➤ Short technology life cycles:

The process or technology of the electronics industry is progressing rapidly, with a short life cycle on equipment or technology. In addition, the improvement of the ability of Taiwanese manufacturers on self-made products is also a big test for the company.

【Countermeasures】

Continuously improve the technical capabilities of the new product development team, and quickly collect market intelligence and negotiable agency contracts through the alliance of companies that set up subsidiaries in the United States and Japan.

In addition, the company has also established subsidiaries in Taiwan and China, reducing the geographical restrictions and time differences in providing services. At the same time, through the recruitment of consultants from the United States, Germany and Japan, we regularly provide the latest developments in the industry and market information, so that the company can keep abreast of the latest technological pulse and grasp the opportunities of market development.

➤ Offshore migration of the manufacturing industry:



Since China and Vietnam have relatively low-cost labor and land resources, manufacturers who want to reduce production costs will set up factories in these countries.

【Countermeasures】

Establish a subsidiary in China to build a complete technical support service network, in order to provide services to existing customers, and have the opportunity to serve customers in China. The assessment on whether to establish service centers in Vietnam and other regions is based on the needs of downstream customers.

E. Awards

Category	Year	Presented by	Award
Corporate Governance	2024	Ministry of Economic Affairs	Potential Mid-Sized Enterprise Award and Outstanding Mid-Sized Enterprise Award for Creating a Friendly Workplace.
Corporate Governance	2022	TWSE	Ranked Top 6-20% among OTC companies in Corporate Governance Evaluation
Corporate Governance	2021	Commonwealth Magazine	50 fastest-growing companies in the service industry
Corporate Governance	2020	Commonwealth Magazine	Fastest-Growing Companies Top 100
Business	2019	Unitech	CSR Sustainable Management Supplier
Corporate Governance	2019	National Taxation Bureau of the Northern Area	2019 Outstanding Business Entity Award
Corporate Governance	2017	Dun & Bradstreet	D&B Top 1000 SMEs Elite Award
Corporate Governance	2016	Commonwealth Magazine	Excellence in Corporate Social Responsibility SME Top 20
Corporate Governance	2016	TWSE	Ranked top 5%~20% among OTC companies in Corporate Governance Evaluation
Corporate Governance	2015	TWSE	Ranked Top 5% among OTC companies in Corporate Governance Evaluation
Corporate Governance	2013	Taoyuan County	Excellent Enterprise Award for High-Quality Service
Corporate Governance	2013	Taipei City	Labor Department 2013 Happy Enterprise Award
Business	2013	Inspec	Achievement of Sales & Service



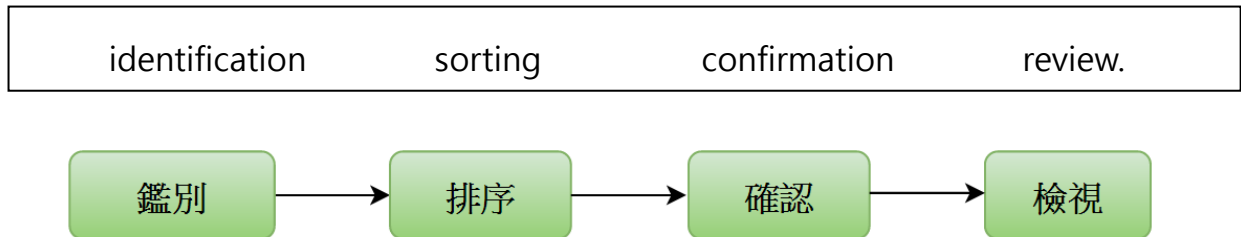
Category	Year	Presented by	Award
Business	2013	HIOKI	Sales and Service support
Business	2013	ASYS	Sales and good Service
Business	2013	SIKAMA	Sales and Service
Business	2012	HIOKI	Best Service Award
Business	2012	RORZE	Sales Achievement
Business	2012	Sikama	Sales Achievement & good service
Business	2012	ASYS	Sales and Service award
Business	2011	Global Views Magazine	A+ Club, 5 Star Enterprise
Business	2011	HIOKI	Best support award
Business	2011	ASYS	Award for Sales and Good Service in Asia Pacific Region
Business	2011	ISHIIHYOKI	Best Performance Award
Business	2011	Rorze	Outstanding Achievement
Business	2010	Global Views Magazine	A+ Club - Best 69 Enterprises in Taiwan
Business	2010	ASYS	Award for Sales and Good Service in Asia Pacific Region
Business	2010	HIOKI	Best Performance Award
Business	2010	ECI	Outstanding Sales and Service Representation in Taiwan
Business	2010	Rorze	Outstanding Achievement
Business	2010	ISHIIHYOKI	Best Performance Award
Business	2010	SIKAMA	Outstanding International Service
Business	2010	SIKAMA	Outstanding International Sales
Business	2009	EKRA	Best Sales Penetration and Best Service Award in Asia Pacific Region
Business	2009 2010	YXLON	Outstanding Sales Achievement
Business	2009	HIOKI	Best Performance Award
Business	2009	ECI	Outstanding Sales and Service Efforts in Taiwan
Business	2009	Rorze	Outstanding Achievement
Business	2009	ISHIIHYOKI	Best Performance Award
Business	2009	SIKAMA	Outstanding International Sales
Business	2009	SIKAMA	Outstanding International Service
Business	2008	Global Views Magazine	A+ Club - Best 73 Enterprises in Taiwan
Social welfare	2008	Taoyuan County	Exceptional Contribution Award
Business	2008	Rorze	Outstanding Achievement
Business	2008	EKRA 蘇建榮	Best Sales Penetration and Best Service Award in Asia Pacific Region
Business	2008	SIKAMA	Quota Busters Club Member



III. Interested Parties Identification and Communication

A. Identify Interested Parties' Substantive Consideration

The company determines the substantive considerations and boundaries of this report through the following four steps: identification, sorting, confirmation and review.



In addition, through different communication channels such as the company's website, we collect information and issues of concern from different interested parties, analysis and filter the priority of response base on the degree of concern of different interested parties to different issues, the frequency of inquiries, and the degree of impact on the company.

Through the comparison of the degree of influence of different interested parties, the company identified the important issues of concern that needed to be responded in the report, while other important issues with lower degree of concern and impact are briefly covered in the text or presented in the form of other sustainability indicators in the report. The six main interested parties are defined as: shareholders, customers, suppliers, employees, competent authorities, media and advocacy organizations. The main concerns of each interested party and their communication channels and methods are shown in the attached table below.



B. Interested Parties





C. Communication and response

Interested Party	Main concerns	Communication channels and methods
Shareholder	<ul style="list-style-type: none"> • Operating performance • Risk Management • Corporate Governance 	<ul style="list-style-type: none"> • Regularly update the sustainability report • Monthly announcement of combined revenue information • Disclose important information on the Public Information Observatory • Convene shareholders' meetings and hold investor conference as required • Publish annual report • Update company website • Company spokesperson
Customer	<ul style="list-style-type: none"> • Product price, safety, quality and delivery • Integrity Management Guidelines • Labor safety and health • Sustainable development 	<ul style="list-style-type: none"> • Regularly update the sustainability report • Specially-assigned personnel to contact customers • Improvement based on customer feedback • Inspect the operation of the product at the site of customers • Hold trainings for customers • Update company website
Supplier	<ul style="list-style-type: none"> • Quality and price • Environmental regulations 	<ul style="list-style-type: none"> • Regularly update the sustainability report • Conduct supplier evaluation • Feedback to help improve • Organize supplier product exhibitions • Update company website
Employee	<ul style="list-style-type: none"> • Salary and benefits • Occupational Safety and Health • On-the-job education and training • Career development 	<ul style="list-style-type: none"> • Regularly update the sustainability report • Labor-management meetings held quarterly • Appropriate the amount according to the legal ratio to the welfare committee • Regularly hold labor safety and health education and training • Set up the "Employee Proposal Bulletin Board"



Interested Party	Main concerns	Communication channels and methods
		<ul style="list-style-type: none"> • Hold new employee meeting • Update company website • Unscheduled employee opinion survey
Competent authority	<ul style="list-style-type: none"> • Corporate Governance 	<ul style="list-style-type: none"> • Regularly update the sustainability report • Monthly announcement of self-consolidated revenue information • Publish information on the Public Information Observatory • Formulate various specifications in accordance with government regulations • Convene shareholders meeting according to laws and regulations Publish annual report Report financial statements on a regular basis Update the company website in real time
Media and Advocacy Organizations	<ul style="list-style-type: none"> • Corporate Governance • operating performance • Participate in charity activities 	<ul style="list-style-type: none"> • Regularly update the sustainability report • Set up a spokesperson to respond to questions • Continued donations to charities • Update company website



IV. Corporate Governance



A. Board of Directors and Other Committees

1. Board of Directors

TKK Board of Directors is responsible for supervising the company's long-term business strategy, assessing risks, appointing certified accountants, and deciding the appointment, dismissal and rewards of the management team. The board of directors has 10 directors, and hold the board of directors' meetings 4 to 6 times a year. The current term of the board of directors is from August 10, 2021 to August 9, 2024, and 9 meetings have been held as of the date of this report.

➤ Implement the policy of diversity

The nomination and selection of the members of the Board of Directors of the Company adopts the candidate nomination system in accordance with the provisions of the Articles of Association. In addition to evaluating the qualifications of each candidate's academic experience, and referring to the opinions of interested parties, the Company abides by the "Procedures for Election of Directors and Supervisors " and the



"Principals of Corporate Governance" to ensure the diversity and independence of directors.

The Company has considered the demands from all aspects for the composition of the board members. The composition of the board members is diversified and has at least one female participating in the board. Among the list of the 10 board members of the Company, foreign directors accounted for 40%; independent directors accounted for 30%; directors with employee identity accounted for 20%; female directors accounted for 10%. 5 directors are above the age of 70, 4 directors are within the age of 60~70 and 1 director is below the age of 60. The Company values the professional knowledge and skills of the Board of Directors and has at least one director who is CPA. The Company also aims to have at least two independent directors who will not serve more than three consecutive terms.

Among the list of 10 board members, for skills in leadership, business judgement, business management, crisis handling, industrial knowledge and international market view, we have SENTA WONG, HO SHU-CHAN, TSUI YING-CHUN, HSU HUNG-CHIEH, CHANG JUI-SHUM, LIAO HUNG-YING and CHEN MEI-FEN; for capabilities in accounting and financial analysis, we have HO SHU-CHAN and CHEN MEI-FEN. Our 2 independent directors have industrial knowledge and 1 has accounting specialty; and LIAO HUNG-YING has contributed to TPCA Environment Foundation.



Title	Name	Gender	Experience (Education)	Current Positions at The Company and Other Companies
Chairman	Wong' s Kong King International (Holdings) Limited Representative : VINCI WONG (Assuming office on June 18, 2024)	Male	Wong' s Kong King International (Holdings) Limited	TKK: Chairman : Other companies: Director of Wong's Kong King International (Holdings) Ltd, Director and General Manager of San Huang Medical Co., Ltd, Independent Non-Executive Director, Chairman of the Remuneration Committee, Member of the Audit Committee, and Member of the Nomination Committee of Kato (Hong Kong) Holdings Limited (Stock Code: 2189)
Director	Wong' s Kong King International (Holdings) Limited Representative : SENTA WONG	Male	2000 chairman of Tung Wah Group of Hospitals	TKK: None Other companies: Chairman of Wong' s Kong King International (Holdings) Limited
Director	Wong' s Kong King International (Holdings) Limited Representative : TSUI YING-CHUN	Male	Wong' s Kong King International (Holdings) Limited	TKK: None Other companies: Group President and CEO of Wong' s Kong King International (Holdings) Limited
Director	Wong' s Kong King International (Holdings) Limited, Representative : HSU HUNG-CHIEH	Male	TKK' s Chairman and President	TKK: None Other companies: None
Director	Wong' s Kong King International (Holdings) Limited Representative : CHANG JUI-SHUM	Male	General Manager of WKK distribution ltd.	TKK: None Other companies: Director and President of WKK Distribution Limited Director of Wong' s Kong King International (Holdings) Limited Director of The Kong King Technology Co., Ltd, (Suzhou)



Title	Name	Gender	Experience (Education)	Current Positions at The Company and Other Companies
Director	Wong' s Kong King International (Holdings) Limited Representative : CHEN MEI-FEN	Female	TKK Vice-President Chung Yuan Christian University Department of Business Administration	TKK: Vice-President Other companies: Supervisor of TKK Precision Co., Ltd. Supervisor of THT Technology Co., Ltd. Supervisor of The Kong King Technology Co., Ltd, (Suzhou)
Director	LIAO HUNG-YING	Male	TKK President The 31st NCCU entrepreneurship academy	TKK: President Other companies: Chairman of The Kong King Technology Co., Ltd, (Suzhou) Chairman of THT Technology Co., Ltd. Chairman of TKK Precision Co., Ltd.
Independent Director	CHEN CHAO-HUANG	Male	Master of EMBA, National Jiaotong University Independent Director, Feedback Technology Co., Ltd. Chairman, Jiaying International Investment Co., Ltd. Director and founder, Town South Organic Farm Director, Andatek Technology Ltd.	TKK: None Other companies: Independent Director, Feedback Technology Corp. Director, Andatek Technology Ltd. Responsible person, Jiaying International Investment Co., Ltd. Founder/Director, Seongnam Organic Farm Associate course teacher of Tsio Hai Waldorf Education Consultant of Zhi Yang Education Foundation
Independent Director	WEI HSING-HAI	Male	Bachelor of Business, Accounting, Department of Business, National Taiwan University Master of EMBA, National Jiaotong University Accountant of Auditing Department, KPMG Chairman of the National Federation of Certified Public Accountants of the Republic of China Accountants Professional Evaluation Committee	TKK: None Other companies: Independent Director, ADLINK Technology Remuneration Committee of Zyxel Investment Holdings Co., Ltd. Consultant of KPMG Accountant of Chuan Zhi He Shu Accounting Firm



Title	Name	Gender	Experience (Education)	Current Positions at The Company and Other Companies
Independent Director	SHEN XUE-REN (Assuming office on June 18, 2024)	Male	Ph.D. Candidate in Business Administration, National Taipei University MBA in Business Administration, Fu Jen Catholic University EMBA in Finance, National Taiwan University Advisor, Innovation and Entrepreneurship Association	TKK: None Other companies: Advisor, Innovation and Entrepreneurship Association Independent Director, Leatec Fine Ceramics Co., Ltd. (2462) Independent Director, Taiwan Kingstone Semiconductor Co., Ltd (8042) Independent Director, Leadtek Research Inc. (4552) Director, Thermaltake Technology Co., Ltd. (3540)



TKK Internal Audit office is subordinate to the board of directors and has one auditor. The auditor uphold the spirit of detachment and independence, and perform his/her duties with an objective and fair standpoint. In addition to regularly report the auditing tasks to the independent directors, the audit supervisor also attends the board of directors to listen to the reports. The internal audit's task is to inspect and review the company business in accordance with the annual audit plan approved by the board of directors, covering all operations of the company and the supervision of subsidiaries. The auditor submits audit reports based on the deficiencies and abnormalities found in the internal control system and submit them to independent directors for review to confirm that they have taken appropriate improvement measures in a timely manner, thereby ensuring that the internal control system can be continuously and effectively implemented, and serve as a basis for reviewing and correcting the system.

2. Remuneration committee

The committee consists of one director and two independent directors. The remuneration committee is mainly responsible for formulating and regularly reviewing the remuneration policy and system of directors and managers after referring to the industry standards; regularly evaluating and setting directors' remuneration (travel expenses) and managers' remuneration. The term of office of the current remuneration committee is the same as that of the board of directors. According to the company's "Salary and Remuneration Committee Organization Regulations", the remuneration committee meetings should be held at least twice a year. As of the date of this report, the current remuneration committee has held a total of 6 meetings.

Remuneration Committee Members			
Title	Name	Gender	Experience (Education)
Convenor	CHEN CHAO- HUANG	Male	Master of EMBA, National Jiaotong University Independent Director, Feedback Technology Co., Ltd. Chairman, Jiaying International Investment Co., Ltd.



			Director and founder, Town South Organic Farm Director, Andatek Technology Ltd.
Member	WEI HSING-HAI	Male	Bachelor of Business, Accounting, Department of Business, National Taiwan University Master of EMBA, National Jiaotong University Accountant of Auditing Department, KPMG
Member	SHEN XUE-REN	Male	Ph.D. Candidate in Business Administration, National Taipei University MBA in Business Administration, Fu Jen Catholic University EMBA in Finance, National Taiwan University Advisor, Innovation and Entrepreneurship Association

3. Audit Committee

The committee consists of three independent directors whose main duties are to supervise the following matters: the fair expression of the company's financial statements, the selection (removal) of certified accountants, independence and performance, the effective implementation of the company's internal control, and the company's compliance with relevant laws and regulations. And rules, the management and control of the company's existing or potential risks. The term of office of the current audit committee is the same as that of the board of directors. According to the company's "Audit Committee Organization Regulations", the audit committee shall meet at least once every quarter.

Audit Committee Members			
Title	Name	Gender	Experience (Education)
Convenor	WEI HSING-HAI	Male	Bachelor of Business, Accounting, Department of Business, National Taiwan University Master of EMBA, National Jiaotong University Accountant of Auditing Department, KPMG
Member	CHEN CHAO-HUANG	Male	Master of EMBA, National Jiaotong University Independent Director, Feedback Technology Co., Ltd. Chairman, Jiaying International Investment Co., Ltd. Director and founder, Town South Organic Farm Director, Andatek Technology Ltd.



Audit Committee Members			
Title	Name	Gender	Experience (Education)
Member	SHEN XUE-REN	Male	Ph.D. Candidate in Business Administration, National Taipei University MBA in Business Administration, Fu Jen Catholic University EMBA in Finance, National Taiwan University Advisor, Innovation and Entrepreneurship Association

4. Corporate Governance Committee

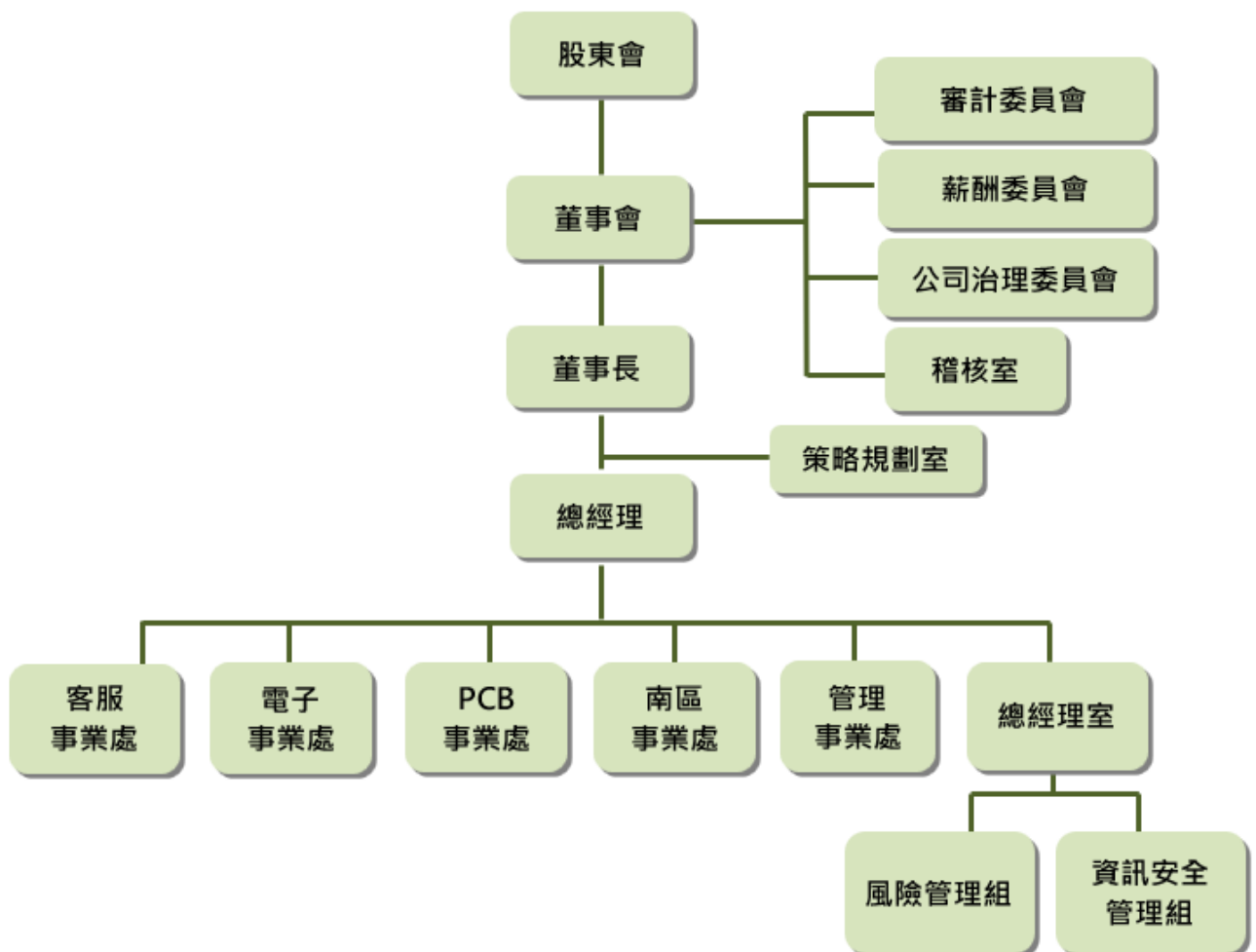
The committee consists of two director and two independent directors, and their main competence are: review of corporate governance code of practice, relevant regulations and implementation effectiveness; formulation, supervision and review of corporate social responsibility policies, systems or relevant management policies; formulation, supervision and review of integrity management policies and prevention plans; establishment, supervision and review of environmental sustainability system and objectives; formulation, supervision and review of risk management policies and management mechanisms; other matters directed by the Board of Directors to be handled by the Committee. The term of office of the current corporate governance committee is the same as that of the board of directors. According to the company's "Corporate Governance Committee Organization Regulations", the corporate governance committee meeting should be held at least twice a year.

Corporate Governance Committee Members			
Title	Name	Gender	Experience (Education)
Convener	LIAO HUNG-YING	Male	TKK President The 31 st Executive Program, NCCU



Member	WEI HSING-HAI	Male	Bachelor of Business, Accounting, Department of Business, National Taiwan University Master of EMBA, National Jiaotong University Accountant of Auditing Department, KPMG
Member	CHEN CHAO-HUANG	Male	Master of EMBA, National Jiaotong University Independent Director, Feedback Technology Co., Ltd. Chairman, Jiaying International Investment Co., Ltd. Director and founder, Town South Organic Farm Director, Andatek Technology Ltd.
Member	SHEN XUE-REN	Male	Ph.D. Candidate in Business Administration, National Taipei University MBA in Business Administration, Fu Jen Catholic University EMBA in Finance, National Taiwan University Advisor, Innovation and Entrepreneurship Association

B. Organizational Structure





1. Department functions

Department	Function
<p>General Manager's Office</p>	<p>Includes secretary, MIS, development team, project development and overseas development department.</p> <p>Secretary: Assist in handling the day-to-day administrative business.</p> <p>MIS: Related operations such as company computer maintenance and information system management.</p> <p>Development team, project team: New product introduction and market development, project equipment distribution negotiation.</p> <p>Overseas Development Department: Responsible for overseas market sales and after-sales service related business.</p>
<p>Internal Audit</p>	<p>Formulate the company's annual audit plan, audit the implementation of the company's various departments' rules and regulations, check and evaluate whether the company's internal operations are appropriate and sound, in order to obtain effective internal control at a reasonable</p>
<p>Management Division</p>	<p>The division includes the Finance Department, Management Department, Procurement Department and Sales and Marketing Department.</p> <p>Finance Department: Cashier and accounting matters.</p> <p>Management Department: Import and export operations, general affairs and personnel management operations.</p> <p>Procurement Department: Responsible for company procurement matters.</p> <p>Sales and sales department: Sales management of inventory sales and warehouse management.</p>
<p>PCB Division</p>	<p>PCB equipment and materials sales planning, market research, operating activities and market development plans, development and implementation.</p>
<p>Electronics Division</p>	<p>SMT, semiconductor and optical communications sales planning, market research, operating activities and market development plans, development and implementation.</p>



Customer Service Division	Equipment installation and related warranty, after-sales service and control of inventories.
South Taiwan Business Division	PCB equipment, SMT, semiconductor and optical communication sales planning, market research, business activities and market development plans, development and implementation.

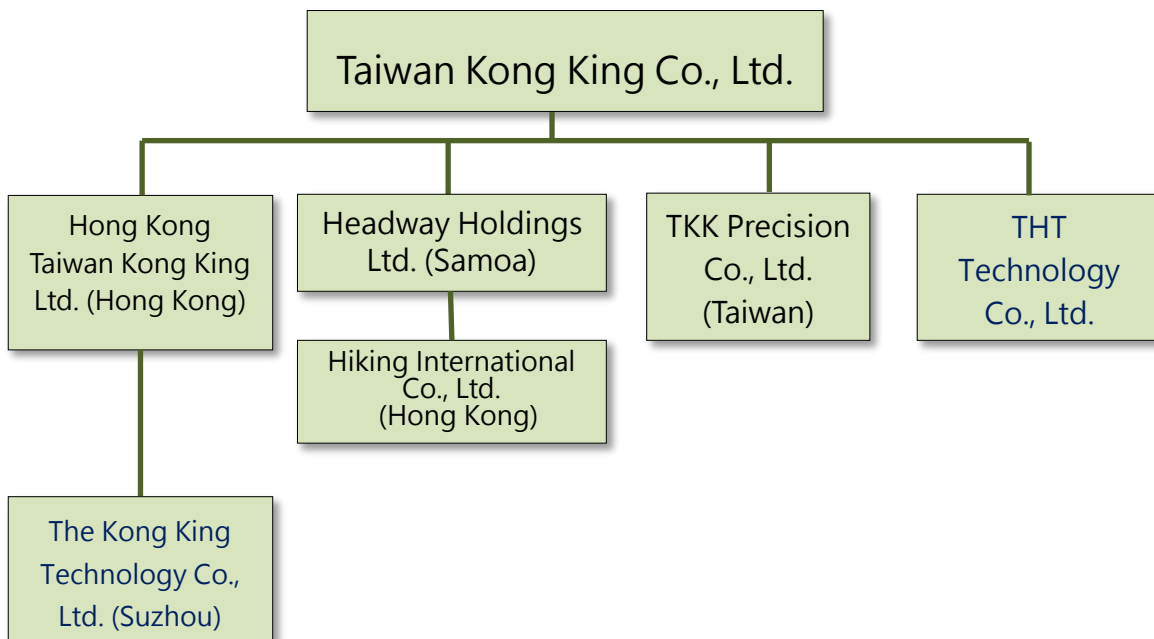
2. Shareholder structure

April 20, 2024

Shareholder structure	Government Agencies	Financial Institutions	Local Institutions	Other Juridical Persons	Local Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	1	22	6	5,240	20	5,289
Shareholding (shares)	0	11,000	3,597,780	1,227,364	41,749,936	98,569,496	145,155,576
Percentage	0	0.01%	2.48%	0.85%	28.76%	67.90%	100%

C. Corporate Governance Structure

1. Organizational Chart of affiliate companies





2. Basic Information of affiliate companies

Name	Date of incorporation	Address	Paid-In Capital	Type of business or manufacturing product
Taiwan Kong King Co., Ltd.	Jun 14, 1977	5F.-4, No. 66, Sec. 2, Nankan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)	NT\$362,888	1. Sales agent and after-sales service of printed circuit board equipment. 2. Provides sales agency and after-sales services for semiconductor packaging and electronic assembly equipment.
TKK Precision Co., Ltd. (Taiwan)	Apr 24, 2001	2F., No. 66, Sec. 2, Nankan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)	NT\$62,370	Electronic components manufacturing, electronic materials trading, wholesale and retail of mechanical equipment, testing of electronic components.
Hong Kong Taiwan Kong King Ltd. (Hong Kong)	May 17, 1990	17/F, Harbourside HQ, No. 8 Lam Chak Street, Kowloon Bay, Hong Kong	HKD 26,210,000	Sale and purchase of printed circuit board equipment. Semiconductor equipment and electronic assembly equipment.
Headway Holdings Ltd. (Samoa)	Jan 18, 2002	Offshore Chambers, P.O.Box 217, Apia, Samoa	USD 1,100,000	Sale and purchase of printed circuit board equipment. Semiconductor equipment and electronic assembly equipment.
Hiking International Co., Ltd. (Hong Kong)	Jun 24, 2002	17/F, Harbourside HQ, No. 8 Lam Chak Street, Kowloon Bay, Hong Kong	HKD 12,636,000	Investment holding
THT Technology Co., Ltd. (Taiwan)	Mar 8, 2006	3F.-2, No. 66, Sec. 2, Nankan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)	NT\$50,000	1. Electronic components, general instrument manufacturing 2. International trade (limited to related products on manufacturing and processing)
The Kong King Technology Co., Ltd. (Suzhou)	Feb 5, 2008	R00m 108, Building 1-A, No.336 Fengli Street, Suzhou Industrial Park, Jiangsu, China	RMB 17,357,000	1. Sales agent and after-sales service of printed circuit board equipment. 2. Provides sales agency and after-sales services for semiconductor packaging and electronic assembly equipment.



The company emphasizes corporate governance, other than the 8 cycle control principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” , the company has also established the following relevant rules and regulations:

- (1) shareholders ‘meeting procedure rules
- (2) Rules of procedure for the board of directors’ meetings.
- (3) Procedures for the election of directors and supervisors
- (4) Regulations of Acquisition or Disposal of Assets
- (5) Regulations of making Endorsements and Guarantees
- (6) Operating Procedures for the loaning of funds.
- (7) Operating Procedures for the supervision on re-investment
- (8) TKK regulations on transaction between related parties
- (9) Regulations on Financial and non-financial information
- (10) Information and Rules for the Prevention of Insider Trading
- (11) Ethical Corporate Management Best Practice Principles
- (12) Self-Inspection and Statement on Internal Control
- (13) Best Practice Principles for Corporate Social Responsibility
- (14) Codes of Ethical Conduct

D. Management Team

Title	Name	Main responsibilities
Chairman	HO SHU-CHAN	Set the business goals and strategies of the group
President	LIAO HUNG-YING	Execution of resolutions of the board of directors and daily operation management
Customer Service Division Senior Vice-President	FAN DING-CHI	Installation of mechanical equipment and related warranty, after-sales service business, and inventory control business, etc.



Administration Division Senior Vice-President	CHEN MEI-FEN	Finance, personnel, procurement, sales and management operations
PCB Division Senior Vice-President	LIAO DE-HSIANG	Agency equipment and materials sales planning, market research, business activities, etc., as well as market development plans, drafting and execution
Overseas Development Division Vice-President	CHENG FU-WEN	
South Taiwan Business Division Vice-President	CHUANG HONG-YI	

E. Identification and Management of Operational Risks

TKK aims to pursue the sustainable operation of the company, and does not engage in high-risk and high-leverage investment and derivative commodity transactions. In the management regulations, there are strict regulations on capital lending and endorsement guarantees. Before engaging in long-term investment, we will carefully consider and evaluate the investment target, local political and economic risks, environmental conditions, and cultural customs, and act in accordance with the company's management regulations and laws.

The shareholding of TKK's shareholders is stable. In 2023, the directors and major shareholders did not transfer large number of shares. There was no important events that can affect shareholders' rights and interests or affect the company occurred, such as company mergers and acquisitions, corporate reorganization, changes in management rights, major changes in business mode or business content.

F. Legal Compliance

TKK has established management regulations and codes of conduct based on the business philosophy of the company, the current laws and regulations of various countries, and the requirements of customers. The company advocate the corporate spirit of integrity, and all employees from the management team to junior staff have to follow these regulations. In



addition to specifying internal control procedures, the company's management regulations also include detailed rules pertaining to labor environment, employee health and safety, and confidentiality to protect the physical and mental health of employees and maintain a sound corporate system. We pay close attention to any changes in domestic and foreign policies and regulations that may affect the company's finances and business, and actively respond to customer concerns, requiring all employees to take relevant training. In case of conflicting regulations of different authorities, the most stringent regulation shall be followed. In 2023, the Group has not been fined for violating laws and regulations.



V. Environmental Sustainability



A. Environmental Management System and Implementation

TKK has publicized in writings and orally to remind colleagues to save energy and reduce carbon on daily affairs:

1. The air conditioner is set to 25 degrees Celsius. The lights and air-conditioning must be turned off before leaving the rooms.
2. Emphasize on paper saving by reducing unnecessary printing and using second-grade paper; use information technology to systematically store files with large content and images in the computer system for employees to refer at any time.
3. Colleagues are required to use reusable and environmentally friendly tableware for lunch to reduce garbage and protect the earth.
4. Garbage collection locations are equipped with sorting and recycling bins to improve the convenience of environmental protection work.



Improvement plan	Improvement methods
<p>Air-conditioning: Every 1°C increase can reduce the ice water power consumption host by about 2%.</p>	<ol style="list-style-type: none"> 1. Set higher temperature when out of summer. 2. Replace the blower temperature controller.
<p>Lights: 1. For every reduction of one lamp holder, the annual electricity consumption is reduced by about 161 degrees, and the annual carbon emission is reduced by about 82 kilograms, which is equivalent to planting 7 trees in the same year. 2. Every replace of a lamp holder, the annual electricity consumption is reduced by about 103 degrees, and the annual carbon emission is reduced by about 52 kilograms, which is equivalent to planting 4 trees in the same year.</p>	<ol style="list-style-type: none"> 1. Reduce 22 lights. 2. Replace the current T5 lamp holder (61W) with an LED flat lamp holder (22W)
<p>Office machine (computer, screen, coffee machine, water dispenser, printer, etc.)</p>	<ol style="list-style-type: none"> 1. Turn off the power switch when getting off work. 2. Use electricity-saving electronics

TKK takes great importance on the issue of environmental sustainability. In 2019. In response to the Energy Bureau of the Ministry of Economic Affairs "Energy Saving Diagnosis Service for Small and Medium-sized Industrial Energy Users" campaign, it entrusted the Chinese Culture University to inspect the company's energy use status, conduct in-depth analysis and discussion to the energy consumption of various energy-using equipment and systems, in order to achieve effective energy management through improvement plans.

◆ On-site Inspection



◆ Light Inspection





B. Implementation of Green Procurement Policy

When the company makes agency agreements with the suppliers, we include environmental protection clause in the agreements, requiring the products we distribute meet the requirements of international environmental protection organizations.

In addition, the company and its suppliers have agreed on energy-saving and carbon-reduction measures for transportation, and have saved approximately 270,000 kilograms of transportation volume from 2020 to the first half year of 2024.

C. Energy Management and Reduction

The company pays great attention to energy management, implements energy management measures and continuously monitors energy consumption data. The statistics and policies of the company (excluding subsidiaries) are as follows:

1. Power saving measures

- (1) Regularly track and manage electricity consumption data: Compared with the electricity carbon emission of 344,666 kg in 2022, the electricity carbon emission in 2023 decreased by 7.78% to 317,850 kg.
- (2) Replaced large number of T5 lamps and LED lamp holders.
- (3) The office lighting equipment and water dispenser are replaced with 220V, reduce the current by increasing the voltage.
- (4) Energy-saving label products are the first choice for the replacement of electrical products.
- (5) Install a power capacitor to increase the power factor of the power.
- (6) Install timing power-off facilities (such as water dispenser) and automatic sensor switches (such as door lighting sensor switches).
- (7) Replace vehicles that are 10 years old or have a mileage of 250,000 kilometers with new ones to reduce carbon emissions and air pollution.



2. Water saving measures

- (1) Regular tracking and management of water consumption data:
Compared with the 263 kg of water carbon emission in 2022, the water carbon emission in 2023 decreased by 6.08% to 247 kg.
- (2) Replacement of water-consuming equipment (such as water-saving toilets, faucets, etc., honeycombs of cooling towers, etc.).

3. Waste removal and treatment

In order to effectively remove and dispose the waste to improve the sanitation of the company' s environment, to maintain and protect the health of colleagues, and to create a high-quality environment for the community, TKK adopts the following practices:

- (1) Cooperate with the environmental policy of the government, and assign project team to clear and dispose industrial waste according to laws.
- (2) Identify the subject matter of industrial waste removal and treatment, its quantity and treatment scope.
- (3) Make an agreement with a professional waste removal and disposal company that is licensed by government and legally registered to perform regular quantitative removal and disposal according to the agreement.

The company is an equipment agent, and general office waste is managed by the building management committee; according to the data provided by the building management committee, compared with 2172.1 kg of general waste in 2022, the general waste of 1896 kg in 2023 decreased by 12.71%, which is not significant.

4. Greenhouse gas emission reduction measures

- (1) Risks regulated by laws and regulations related to climate change:

The company is an equipment agent and has no direct greenhouse gas emission projects. The main energy used is electricity, which belongs to indirect greenhouse gas emissions; and therefore, the company is not the first and second batch that should



report greenhouse gas emissions according to the announcement of the Environmental Protection Administration of the Executive Yuan "Stationary pollution sources that should declare greenhouse gas emissions in public and private places." Although the company should have no risk of violating laws and regulations, it will still pay close attention to the formulation and trends of domestic and foreign laws and regulations, and to take corresponding measures in advance.

(2) Substantial risks from climate change:

Global climate anomalies caused by greenhouse gas emissions have led to an increasing frequency of natural disasters such as continuous record high temperatures, wind disasters, floods, droughts, and earthquakes, which cause severe disaster and consequently considerable impact on business operations. The company will continue to monitor and implement energy conservation and carbon reduction, hoping to minimize losses when natural disasters occur.

(3) Business opportunities due to climate changes:

The company is a professional equipment agent. As the global demand for green and renewable energy services and technologies is increasing, the company will strive to introduce green energy and environmental protection products, hoping to achieve carbon reduction effects and step into a new international market.

(4) The (direct and indirect) greenhouse gas emissions of the company, and whether it has passed external verification:

The company's greenhouse gas emission inventory has not passed external verification, and it is a self-management statistics.



Based on the bills of Taiwan Power Company, the electricity consumption is converted into carbon dioxide emissions by the electricity emission factor as follows:

Year	Total annual electricity carbon emissions (KG)
2023	317,850
2022	344,666
2021	358,316

The decrease rate of electricity carbon emissions in 2023 compared with 2022 is 7.78%.

In addition, based on the information published in Taiwan's water company bills, the carbon dioxide emissions are as follows:

Year	Total annual water and carbon emissions (KG)
2023	247
2022	263
2021	271

The decrease rate of water carbon emission in 2023 compared with 2022 is 6.08%.

(5) Strategies for climate change or greenhouse gas management:

The company is an equipment agency and does not directly engage in production and manufacturing. Greenhouse gas emissions are mainly indirect emissions; the source of emissions is mainly from air conditioners, office lighting, and office equipment demand electricity. The strategy for greenhouse gas management is to promote environmental protection and implement energy saving and carbon reduction measures:



- Lighting: Large number of lighting source has been replaced with T5 lamps, some of which are LED lamps to save power consumption.
- Paper: Promote electronic sign-off of forms, reuse of recycled paper photocopying, and electronic filing of documents to reduce paper usage.
- Air-conditioning: Replace the old air-conditioning equipment, and regularly clean and maintain it to improve the use efficiency.
- Office equipment: purchase an extension cord with a main switch, turn off the power when off work, and reduce idle power.
- Drinking water: An inspection agency approved by the Environmental Protection Agency is appointed to test the water quality of drinking water dispensers every year to ensure water quality safety.
- Recycling of resources: The recycling space does sort paper, plastic, iron and aluminum cans, and kitchen waste.
- Company vehicle: Replace vehicles that are 10 years old or have a mileage of 250,000 kilometers with new ones to reduce carbon emissions and air pollution.

(6) Corporate greenhouse gas emission reduction goals and plans:

In the future, we will continue to calculate the company's annual greenhouse gas emissions, formulate carbon reduction policies according to the changes in emissions, and aim to reduce total emissions by 5% within five years. Compared with the carbon dioxide emissions in 2023 to 2022, the total emissions have been reduced by 7.78%.

The company attaches great importance to environmental management and maintenance, and implement the following policies:

- LED lighting sources in the office be gradually replaced.



- Add more internal process to the ERP system, heading the goal of paperless, reduce the usage of paper and toner, so as to reduce the electricity consumption and carbon dioxide emissions.
- Use e-mail and communication software to communicate, and scanning for data storage to reduce paper printing; the relevant content of trainings and various meetings are mainly provided by computer projections to achieve the purpose of paper reduction.
- The company pays attention to the cleanliness of the company environment, publicize the maintenance of environment to various departments and promotes the 6S plan to develop an environment for sustainable operation.



VI. Happy Enterprise



A. Friendly Workplace Policy

The company puts the employees in its shoes and endeavor to create friendly and harmonious working environment. TCK hopes to ensure that every employee can develop their strengths and meet their personal achievements on a relatively equal footing.

1. Overall Compensation

(1) Standard of starting salary

The salary provided by Taiwan Harbor Construction is quite competitive in the industry, and the salary level of employees is based on their work performance, and there is no difference due to gender. The salary ratio of male employees and female employees of the same position is close to one to one.

(2) Employee salary

Item	2022	2023
Number of non-manager full-time employees (persons)	124	129
Total salary of non-manager full-time employees (NT\$ thousand)	145,215	146,330
Average salary of non-manager full-time employees (NT\$ thousand)	1,171	1,134
Median of the salary of non-manager full-time employees (NT\$ thousand)	1,090	1,041



(3) Salary adjustment range

Salary is adjusted based on the company's operating performance every year and referring to the price index as a reference for salary adjustment.

(4) Other bonuses

- Year-end bonus: The bonus is calculated according to the company's annual performance and profit.
- Performance bonus: Calculate the bonus according to the profit allocation of the performance of each department.
- Long-term bonus: The talent retention system allocates the company's profit to calculate the bonus.
- Improvement proposal bonuses, bonuses for medals issued by the suppliers.

2. Work-life balance

TKK strives for a balance between work and life for employees, and pursues overall performance by improving work efficiency, and expects all employees enjoy a healthy and comfortable family life. Under the personal practice and leadership of the executives, everyone does their best to complete the scheduled workload in the shortest time, reduce overtime work, increase day-offs which allow employees to spend more time with their families.

- (1) Implement working hours arrangements in accordance with the Labor Standards Act.
- (2) The Employee Welfare Committee regularly organizes activities, including domestic and overseas travel for the employees.
- (3) Department social activities.
- (4) Compensatory leave system: According to individual needs, overtime work can be changed to compensatory leave.



(5) Provide "Uni-resort" membership for employees to use the facilities and accommodation of the resorts: Employees can arrange to travel with their families or colleagues to the club resorts.

B. Friendly Workplace Indicators

1. Information of the employees employed

(1) Number of employees employed in the last two years:

Item / Year		2022	2023
Number of Employees	Manager level (inclusive) and above	27	27
	Technical service	66	63
	Business Marketing	15	16
	Administrative	34	33
Total		142	139
Male		98	94
Female		44	45
Average Age		42.95	44.3
Average Years of Service		13.77	14.6
Education (%)	Masters	8.4%	9.29%
	Bachelor' s Degree	89%	87.86%
	Senior High School	2.80%	2.86%
	Below Senior High School	0%	0%

(2) Implement the "Gender Work Equality Act", "Employment Service Act" and "Labor Leave Rules"

- Menstrual leave for female employees.
- Paternity leave for male employees.
- Family care leave.
- Parental leave.
- Formulate sexual harassment prevention measures and punishment management measures.
- There are no gender and age restrictions for recruiting employees.



(3) Employ disabled and aboriginal employees

- The company employs the disabled and indigenous employees according to regulations.

(4) Workplace Diversity and Equality

- Provide equal pay for equal work as well as equal promotion opportunities for male and female employees, and maintain more than 6% of female manager positions to promote sustainable economic growth. In 2022, the average proportion of female employees was 32%, and the average proportion of female managers was 9%.

2. Workspace design and comfortableness

- (1) Spacious and tidy office environment, the office is regularly disinfected, cleaned and waxed.
- (2) The indoor lighting is sufficient (500m candles, higher than the regular 300m candles).
- (3) Green office.
- (4) Each employee can use a space of 14 square meters.
- (5) Provide comfortable ergonomics chairs.
- (6) Replaced to energy-saving lighting T5 and LED lamps.

3. Facilitate workplace health

- (1) Establish labor on-site health service care, and formulate workplace health protection measures, such as "maternal health protection plan", "human-induced hazard prevention plan", "abnormal workload-promoted disease prevention plan", and "duty performance Unlawful infringement prevention" and other programs.
- (2) Subsidize regular health checkups for employees every year.
- (3) Respond to the government's policy advocacy and implement smoke-free environment in the office.



- (4) Formulate "Club establishment and subsidy regulations" to encourage employees to develop interests beneficial to health.
- (5) Establish a golf team and promote healthy sports.
- (6) Provide blood pressure machine in the office.
- (7) Organize various activities.

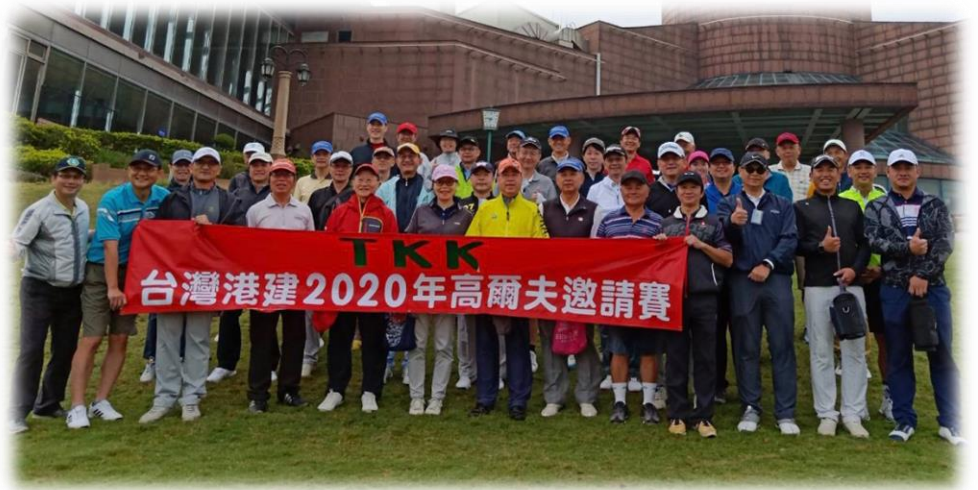
4. Barrier-free facilities in the workplace

- (1) No threshold barriers: There are no thresholds at the gates and aisles of the TKK Office, warehouse area. The aisles are spacious and flat, convenient for people with disabilities to enter and exit.
- (2) Service bell: There is a "service bell" at the main entrance of the office, which can provide the service of ringing the bell for those in need, and the counter operator will come to the counter.

5. Senior friendly working environment

- (1) Warm and quiet library, providing magazines.
- (2) The outdoor "Sunshine room" provides a place for colleagues to socialize and walk in the sun.
- (3) The blood pressure measurement room provides blood pressure monitors, temperature machines, and simple first aid kits.







C. Employee Benefits and Care



1. Nurture and compensation measures

- (1) The company has "Children of employee' s internships methods" which provides employees' children internship in the company during winter and summer vacations, to cultivate their understanding of workplace concept of ethics and diligence by providing learning opportunities.
- (2) Actively assist employees to apply for scholarships from Taoyuan City Industrial Association and other related organizations.
- (3) "Work Regulations" stipulates compensation methods.

2. Provide employment opportunities

- (1) Provide job opportunities for employees' family members and children.

3. Year-end bonus and profit sharing

- (1) Performance bonus: The performance bonus is issued according to the performance of the profit center by Dragon Boat Festival and Mid-Autumn Festival.
- (2) Year-end bonus: Year-end bonus is issued at the end of each year depending on the annual operating performance.
- (3) Long-term contract: Provide a "long-term contract" retention method for specific training or difficult-to-cultivate talents.



- (4) Long-term working bonus for employees: Provide long-term working bonus for those with excellent performance to retain talents.

4. Retirement system of employees

- (1) The company has established a retirement management regulation, and employees can apply for their own retirement when the following conditions are met:

- Employed for more than 15 years and is over 55 years old.
- Employed for more than 25 years.
- Employed for more than 10 years and over 60 years old

- (2) The method of providing pensions is clearly set out in the management method and is described as follows:

- Old pension allocation systems

In accordance with relevant laws and regulations, the company allocates no more than 2% every month employee' s pension reserve based on the total salary of employees.

- New pension allocation systems

The new Labor Pension Regulations went into effect on July 1, 2005, and the company allocates no less than 6% of the monthly salary of employees who are deemed qualified base on relevant laws and regulations. This amount shall be deposited to the employee' s pension account, which was appointed by the central competent authority.

- (3) In order to encourage employees to serve for long-term and work professionally, the company follows the Labor Retirement Regulations to allocate retirement reserves on a monthly basis, and the employees meet the required serving years in accordance with the Labor Standards Law can apply for retirement pensions. In addition, the company invites representatives of both employers and



employees to hold a meeting of the Labor Retirement Reserve Supervision Committee every quarter.

5. Other welfare

- (1) There is an employee welfare committee, which allocates welfare funds according to law and holds various activities.
- (2) Commend senior colleagues. All employees who have served in the company for 10, 20, and 30 years will be awarded and receive overseas travel rewards.
- (3) Hold employee health checks, group insurance, and travel safety insurance.
- (4) Provide staff dormitory.
- (5) Equipped with professional training classrooms.
- (6) Provide staff leisure room for club and other leisure activities.
- (7) Provide nursing room.
- (8) Subsidy measures for gift and consolation money.
- (9) Subsidy measures for self-provided vehicles and communication equipment.
- (10) Car allowance for managers.



D. Talent Cultivation and Retention



1. Employee career promotion and implementation

- (1) Conduct employee assessment every six months.
- (2) Establish a comprehensive promotion channel to cultivate and promote staff to take up important positions. The promotion channel is smooth, including:
 - Upgrade: upgrade colleagues who meet the upgrade requirement every year.
 - Promotion: Hold department reporting for promotion every year (including technology, management, and assistant positions).
 - Rotation: In order to meet business needs, enhance employees' work experience and position transfer.
- (3) Cross-country promotion by selecting outstanding employees from the head office to overseas companies.
- (4) Appointment: In line with organizational development and business needs, the company will appoint managers to serve as executives of multinational companies.
- (5) Authorization: Select appropriate subordinates as authorized objects, and conduct gradual authorization process according to the ability and willingness of the subordinates.



- (6) Counseling mechanism: Formulate counseling mechanism for incompetent personnel to ensure the efficiency and potential of members, and establish a cycle of virtuous development.

2. Diversified training system

(1) On-the-job training

- Learning achievement evaluation: set up four learning achievement evaluations, and formal appointment will be made after passing the evaluation.
- KSA management: Each department arranges competency training courses or external training courses according to the knowledge, skills, attitude and other needs of their duties.
- Overseas training: TTK attaches great importance to job training, and sends employees abroad to take trainings for new products according to the needs.

(2) Training for newcomers

- Establish a counselor mechanism to teach newcomers work skills and care for their adaptability, so that newcomers can orientate the company culture as soon as possible and be stable at work.
- Provide the newcomers fund to dine together with colleagues, through talking during the meal, friendship can be built within the department, so that the newcomers can integrate into the TTK family as soon as possible.
- Construction of knowledge management: Provide "Work Instruction Book" as a model for learning new skills.

(3) Level-specific training

To meet the needs of the affiliate companies, we design suitable training courses for talent development, such as



succession planning courses, thinking and innovation courses, subordinate development courses, leadership and motivation courses, work planning and execution courses, etc.

(4) Tuition subsidy

- Professional skills external training subsidy.
- Japanese language tuition subsidies and incentives.
- Professional license training subsidies and incentives.
- Full subsidy for overseas training expenses.

(5) Training results

Item	Unit of calculation	2022	2023
Total training costs	NT\$ million	0.173	0.194
Total training hours	Hours	3,514	4,079
Training costs /total revenue	%(to the second decimal place)	0.01%	0.01%
Training costs / Number of employees	NT\$/person	1,218	1,396
Total training hours / Number of employees	hours/person	24.75	29.35





VII. Customer Service and Supplier Management



A. Customer Service Satisfaction

1. Professional service and customer satisfaction

With the goal of "professional service; customer satisfaction", TTK takes the attitude of putting customer first to serve the industry, and provides customers with the most advanced technical resources and production equipment. The professional agent equipment includes: printed circuit board equipment, semiconductor equipment, solar energy equipment, optical communication Module equipment, SMT electronic equipment and application software for the above equipment. With complete product line and professional experience and technology, we provide customers with Total Solution services.

2. Our mission

To enhance the competitiveness of the high-tech industry with all-round integrated services, and create the best interests of customers, shareholders and employees.

3. Our vision

To become the professional agent with the largest market share of high-tech products in Greater China.

4. Competitive Niche

Due to the success in capturing market trends and the R & D of advanced processes, the company has established a good reputation in



the market for more than 30 years and has built up the excellent ability as an agent, thus it has priority to be the agent of high-end products. After obtaining the agency rights, these advanced equipment or technologies will be actively introduced to the electronics industries in Taiwan through exhibitions, technical seminars and new product briefings, which would enhance the technical level of customers, increase competitiveness and create a win-win solution on creativity for Taiwan's electronics industry.

◆ TPCA SHOW



◆ CTEX Suzhou



◆ SEMICON Taiwan





B. Supply Chain Management

1. For suppliers - good partnership and fair trading

Besides customers, suppliers are also close partners of TTK. Before distributing new products, we ask suppliers to discuss environmental protection issues during the product life cycle. Through continuous communication with suppliers, the development of products that can better satisfy social responsibilities is what TTK has been doing.

2. Partnerships with suppliers

The relationship between TTK and suppliers can be reflected in two aspects: one is to establish a good partnership and good communication channels; the other is to trade fairly and respect each other.

3. Green procurement

The contract with the supplier is an annual contract, and the suppliers also signs the "Commitment of Social Responsibility and Code of Conduct Compliance" to ensure that the supplier follows the relevant norms in environmental protection, occupational safety and health, as well as labor human rights.



VIII. Social Welfare and Environmental Safety and Health Management

A. Participation in Social Welfare and Industry Associations

TKK regularly donates to the public welfare organization - Puren Youth Care Foundation, long-term sponsor rural schools to provide resources for the development of young people. The company also uses its experience in high-tech industry services to participate in the activities of the Taiwan Printed Circuit Board Association. Besides, it also actively participates in related public welfare projects, sponsors the TPCA Environment Foundation (TPCF) every year, holds green and sustainable campus tour sharing activities, and the president of the company also serves as TPCF director.

➤ Sustainability and education care

Category	Content	Donation 2022/2023	Remarks
Sustainability & Environment Education	TPCF - ECO Experts Campus Sharing Tour	\$60,000/\$60,000	The association held a total of 474 sharing sessions in 2022, and held 743 sharing sessions in 2023 (including series courses and Matsu project sessions). The main purpose is to strengthen primary and secondary school students' understanding and attention to energy conservation, carbon reduction, and environmental conservation, as well as to implement various sustainable concepts into their lives and affect their families and communities.
	TPCF - University Environmental Sustainability	\$20,000/\$20,000	TPCF held campus tour seminars on circular economy in 2022, attracted a total of 1,394 teachers and students to attend. The



	Competition and Seminars		<p>association also held a sustainable design competition, which provided college students an international stage to show their creativity, attracted 16,749 submissions from 66 countries around the world, 1st sustainable design sprout from universities, and give Taiwan's next generation a thriving power.</p> <p>【Environmental Sustainability · Green Future】 In 2023, organized 8 circular economy seminars and 2 international design master lectures, attracting nearly 1,000 teachers and students, with 18,367 submissions from 56 countries worldwide.</p>
Teenager Education Care	Puren - Teenager Guidance Project	\$136,500/\$117,080	The 'Big hand holding little hand' Teenager Guidance Program supported the War Drum Club of Luzhou Junior High School in New Taipei City."

➤Support Education:

Provide students internship experience, and conduct industry-academia cooperation with colleges and universities. The cooperation in 2023 is as follows:

Category	School	Number of People Hired	Internship Period
Industry-academia cooperation	National Yunlin University of Science and Technology	1	2023/9/11-2024/1/26



➤ Social welfare achievements:

Year	Summary	Donation
2019	Puren Rural School Guidance Project	NT \$ 160,390
2019	TPCF - Rice to Tribes Activity in Fuxing District	Relief supplies
2019	TPCF - ECO Experts Campus Sharing Tour	NT\$40,000
2020	Puren Rural School Guidance Project - Dagang Junior High School	NT\$183,120
2020	TPCF - ECO Experts Campus Sharing Tour	NT\$40,000
2020	Donate tables and chairs to the conference room of Bade Dayong Elementary School in Taoyuan City	Conference tables and chairs
2020	Industry-university cooperation, donated PLC equipment (controllers, motors, wires, etc.) to Longhua University of Science and Technology.	PLC parts set for school practice
2020	Fundraising for second-hand charity sales	NT\$14,975
2020	New Year's Meals for the Elderly	NT\$32,400
2020	Children of Employees Internship Program	Internship during winter and summer vacations
2021	Puren Rural School Guidance Project - Dagang Junior High School	NT\$200,660
2021	TPCF - ECO Experts Campus Sharing Tour	NT\$100,000
2022	Puren Rural School Guidance Project - Luzhou Junior High School	NT\$136,500
2022	TPCA Environment Foundation (TPCF)	NT\$100,000
2023	The company held a blood donation event	Blood donation
2023	TPCA Environment Foundation (TPCF)	NT\$100,000
2023	Purjen Rural School Guidance Program - Luzhou Junior High School	NT\$117,080
2023	Industry-academia collaboration, donating an industrial chiller to Ming Chi University of Technology	Donating parts to school for teaching and research innovation
2024	TPCA Environment Foundation (TPCF)	NT\$134,300
2024	Purjen Rural School Guidance Program - Dongli Junior High School, Hualien County - Athletics Club	NT\$142,266



◆ Young people Guidance Project - Dagang Junior High School



◆ Donate tables and chairs to Dayong Elementary School

◆ Longhua University Certificate of Appreciation!





B. Occupational Safety and Health Management

1. Working environment safety and hygiene

TKK attaches great importance to a safe and comfortable working environment. Because employees are the company's assets, ensuring the safety of employees in the working environment is the company's top responsibility. Therefore, TKK is dedicated to the overall planning of environmental protection and working environment safety and hygiene, and urges all employees to actively participate in various related plans. In addition, a labor safety team was established in the company, which is responsible for planning and promoting the company's safety and health policies and management systems, and auditing related implementation results.

- (1) The company sets one Occupational Safety and Health Management Grade B technician.
- (2) Conduct regular occupational safety and health education and training.
- (3) To prevent occupational accidents, we conduct regular health checks for employees.
- (4) Drinking water quality is regularly tested to ensure drinking water hygiene and employee health.
- (5) Strengthen firefighting and first aid personnel training, reinforcing the basic knowledge and skills of firefighting and first aid.
- (6) Depending on the nature of the professional field, relevant departments are required to conduct training and obtain a labor safety certificate in the field.

2. Working environment safety management measures

For the safety and health management of the working environment and the personal safety protection of employees, we established



relevant rules as below to ensure the safety and sustainable development of the company:

- (1) Working safety and health regulations.
- (2) General safety and sanitation facilities checklist.
- (3) Traffic safety rules.
- (4) Electrical safety rules.
- (5) Safety and health rules for the use of hand tools.
- (6) Fire safety rules.
- (7) Safety rules for elevated operations.
- (8) Code of Practice for Hazardous Chemical Substances.
- (9) Code of Practice for Organic Solvents/Code of Practice for Material Handling and Storage.
- (10) Automatic inspection schedule/prescribed fire extinguisher inspection table.

3. Office safety and hygiene measures

- (1) Office carpet building materials shall use certified fireproof materials.
- (2) The screen between the office seats is made of fireproof material.
- (3) Install AED (Automated External Defibrillator) at the entrance of the company gate for colleagues to use in emergency situations of sudden cardiac arrest.
- (4) In the air-conditioning host machine room, use fireproof cotton and sound insulation equipment.
- (5) The drinking water in the office is equipped with a power control timer and a leakage breaker.
- (6) All equipment in the office shall be checked on the scheduled time, so that the equipment can operate in a safe condition.



IX. Code of Conduct and Ethics for Employees

For all staff to understand employee conduct and ethics, "TKK&YOU" is specially formulated for all employees of the company to follow. The relevant regulations and codes are briefly described as follows:

1. The core values are integrity, professionalism, diligence, teamwork and harmony.
2. Hold fast integrity, diligence, teamwork, harmony, and professional knowledge to serve the company.
3. Serve the company with enthusiasm.
4. Protect the company's intellectual property and business secrets, and keep the confidentiality of the information obtained in business.
5. Continue to enrich professional skills to improve service quality.
6. Law-abiding and due diligence, take the best interests of the company as the priority.
7. Do not seek personal interests or entrust private affairs so as to affect the company.
8. Treat colleagues with respect, courtesy and sincerity.
9. Abide the company's regulations and perform the authorities and responsibilities assigned by the company.
10. Endeavor to keep the company policies and the improvement of service procedures and service efficiency.





X. GRI Content Index

Statement of Use: The company has reported in accordance with the GRI Standards for the period 2022/01/01 to 2022/12/31.

GRI 1 used: Foundation 2021

GRI Sector Standard(s): N/A

General Disclosures				
GRI Standard	Disclosure	Page	Chapters and Sections in this Report	Remarks
GRI 2 General Disclosures 2021				
The Organization and Its Reporting Practices				
GRI 2-1	Organizational details	4	II. Company Profile	
GRI 2-2	Entities included in the organization' s sustainability reporting	4	II. Company Profile	
GRI 2-3	Reporting period, frequency and contact point	2	I. Message from the Top Management	
GRI 2-4	Restatements of information			None
GRI 2-5	External assurance	1	Writing Principles	
Activities and Workers				
GRI 2-6	Activities, value chain and other business relationships	7 - 9	II. B. Main Products, II. D. Industry Overview	
GRI 2-7	Employees	52	VI. B. Friendly Workplace Indicators	
GRI 2-8	Workers who are not employees	52	VI. B. Friendly Workplace Indicators	
Governance				
GRI 2-9	Governance structure and composition	37	IV. C. Corporate Governance Structure	
GRI 2-10	Nomination and selection of the highest governance body	27	IV. A. Board of Directors and Other Committees	
GRI 2-11	Chair of the highest governance body	27	IV. A. Board of Directors and Other Committees	



GRI 2-12	Role of the highest governance body in overseeing the management of impacts	27	IV. A. Board of Directors and Other Committees	
GRI 2-13	Delegation of responsibility for managing impacts	27	IV. A. Board of Directors and Other Committees	
GRI 2-14	Role of the highest governance body in sustainability reporting	27	IV. A. Board of Directors and Other Committees	
GRI 2-15	Conflicts of interest	40	IV. E. Identification and Management of Operational Risks	
GRI 2-16	Communication of critical concerns	25	III. C. Communication and response	
GRI 2-17	Collective knowledge of the highest governance body	27	IV. A. Board of Directors and Other Committees	
GRI 2-18	Evaluation of the performance of the highest governance body	27	IV. A. Board of Directors and Other Committees	
GRI 2-19	Remuneration policies	27	IV. A. Board of Directors and Other Committees	
GRI 2-20	Process to determine remuneration	27	IV. A. Board of Directors and Other Committees	
GRI 2-21	Annual total compensation ratio	50	VI. Happy Enterprise	
Strategy, Policies and Practices				
GRI 2-22	Statement on sustainable development strategy	2	I. Message from the Top Management	
GRI 2-23	Policy commitments	50	VI. Happy Enterprise	
GRI 2-24	Embedding policy commitments	50	VI. Happy Enterprise	
GRI 2-25	Processes to remediate negative impacts	23	III. Interested Parties Identification and Communication	
GRI 2-26	Mechanisms for seeking advice and raising concerns	25	III. C. Communication and response	
GRI 2-27	Compliance with laws and regulations	40	IV. F. Legal Compliance	
GRI 2-28	Membership associations	4	II. Company Profile	
Stakeholder Engagement				



GRI 2-29	Approach to stakeholder engagement	24	III. B. Interested Parties	
GRI 2-30	Collective bargaining agreements	52	VI. B. Friendly Workplace Indicators	
GRI 201	Economic Performance 2016			
201-1	Direct economic value generated and distributed	6	II. B. Operational Highlights	
201-3	Defined benefit plan obligations and other retirement plans	55	VI. C. Employee Benefits and Care	
GRI 202	Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	52	VI. B. Friendly Workplace Indicators	
202-2	Proportion of senior management hired from the local community	52	VI. B. Friendly Workplace Indicators	
GRI 204	Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	63	VII. B. Supply Chain Management	
GRI 302	Energy 2016			
302-1	Energy consumption within the organization	42	IV. A. Environmental Management System and Implementation	
302-4	Reduction of energy consumption	42	IV. A. Environmental Management System and Implementation	
GRI 305	Emissions 2016			
305-1	Direct (scope 1) GHG emissions	44	IV. C. Energy Management and Reduction	
GRI 306	Effluents and Waste 2016			
306-2	Waste by type and disposal method	44	IV. C. Energy Management and Reduction	
GRI 307	Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	40	IV. F. Legal Compliance	
GRI 308	Supplier Environmental Assessment 2016			



308-1	New suppliers that were screened using environmental criteria	63	VII. B. Supply Chain Management	
308-2	Negative environmental impacts in the supply chain and actions taken	63	VII. B. Supply Chain Management	
GRI 401	Employment 2016			
401-1	New employee hires and employee turnover	52	VI. B. Friendly Workplace Indicators	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55	VI. C. Employee Benefits and Care	
401-3	Parental leave	52	VI. B. Friendly Workplace Indicators	
GRI 404	Training and Education 2016			
404-1	Average hours of training per year per employee	58	VI. D. Talent Cultivation and Retention	
404-2	Programs for upgrading employee skills and transition assistance programs	58	VI. D. Talent Cultivation and Retention	
GRI 405	Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	52	VI. B. Friendly Workplace Indicators	
405-2	Ratio of basic salary and remuneration of women to men	52	VI. B. Friendly Workplace Indicators	
GRI 406	Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	52	VI. B. Friendly Workplace Indicators	
GRI 412	Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	52	VI. B. Friendly Workplace Indicators	
GRI 414	Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	63	VII. B. Supply Chain Management	



414-2	Negative social impacts in the supply chain and actions taken	63	VII. B. Supply Chain Management	
GRI 416	Customer Health Safety 2016			
416-1	Assessment of the healthy and safety impact of product and service categories	23	III. Interested Parties Identification and Communication	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			Non
GRI 417	Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling			Non
417-3	Incidents of non-compliance concerning marketing communications			Non
GRI 418	Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			Non
GRI 419	Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area			Non



TKK

台灣港建股份有限公司

TEL : 03-352-9332 / FAX : 03-352-4566

<http://www.tkk.com/website/>