



# TAIWAN KONG KING CO., LTD.



*This cover was designed by TKK employees with disabilities*

Edited by: Taiwan Kong King Co., Ltd.

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



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## 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, 2022 to December 31, 2022 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.



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.

The company's performance in 2022 has grown significantly compared to last year. The consolidated operating income for the year ended 2022 was NTD 2,565,379 thousand, an increase of 26.78% compared with NTD 2,023,463 thousand in 2021. The net profit attributable to owners of the parent company was NTD 478,384 thousand, an increase of 77.80% from NTD 269,063 thousand in 2021. The earnings per share was NTD 3.30, an increase of 78.38% from NTD 1.85 in 2021. 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, TTK 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 TTK 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 TKK HIOKI Co., Ltd. was renamed to TKK 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



## B. Operational Highlights

### 1. Operational results

Units: NT\$ in thousands, %

Item \ Year	Financial Summary for the last three years		
	2020	2021	2022
Operating Revenue	1,386,400	2,023,463	2,565,379
Gross profit	498,723	692,309	986,042
Operating income	202,971	354,142	592,799
Non-operating income and expenses	7,151	(20,438)	3,199
Net profit before tax	210,122	333,704	595,998
Net income (Loss)	176,641	269,997	478,384
Other comprehensive income (income after tax)	(6,294)	(11,851)	8,316
Total comprehensive income	170,347	258,146	486,700
Earnings per share (NT\$) (Note)	4.86	7.41	3.30

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 2020	Sales in 2021	Sales in 2022
Electronic components, equipment and materials	1,137,952	1,664,765	2,017,644
Service revenue + Maintenance revenue	80,935	97,642	45,979
Commissions	167,513	261,056	501,756
Total	1,386,400	2,023,463	2,565,379

### 3. Profitability

Item		2020	2021	2022
Return on total assets (%)		14.52	17.49	24.79
Return on stockholders' equity (%)		19.99	27.25	40.86
Ratio to paid-in capital (%)	Operating profit margin	55.93	97.59	163.36
	Pre-tax income	57.90	91.96	164.24



Net Profit Margin (%)	12.74	13.34	18.65
Earnings per share (NT\$) (Note)	4.86	7.41	3.30

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), 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, SMD Chip Counter, plasma surface cleaning, dust-free and oxygen-free ovens, Cassette cleaning machine, atomic force microscope, dispensing machine and tape crystal grain rework machine.	Semiconductor package and manufacturing, and electronics assembly.
Assembly equipment, components and materials for optical communication s module	Precision placement machine, automatic coupling equipment, photoelectric test equipment, optical lens.	Optical communication industry, high-power laser module, precision optical assembly, extreme sensor assembly
Solar energy production process	Fully automatic screen printer line.	Solar industry



SMT electronic assembly	Selective soldering furnace, reflow oven, placement machine, fully automatic solder paste printer, desktop automatic optical inspection machine, X-RAY inspection machine, solder paste inspection equipment.	SMT assembly
Others	Export business for Taiwan's sophisticated equipment products, Electrical testing of the generation of processing	



**Quartz Chamber**  
Organic compounds, in the silicon wafer placed on the cell, vaporized by heating in the furnace are purged with carrier gas (He) and transferred into the trap unit as sample gas. The possible size of measurement is from 5 to 10 inches (100mm).



**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

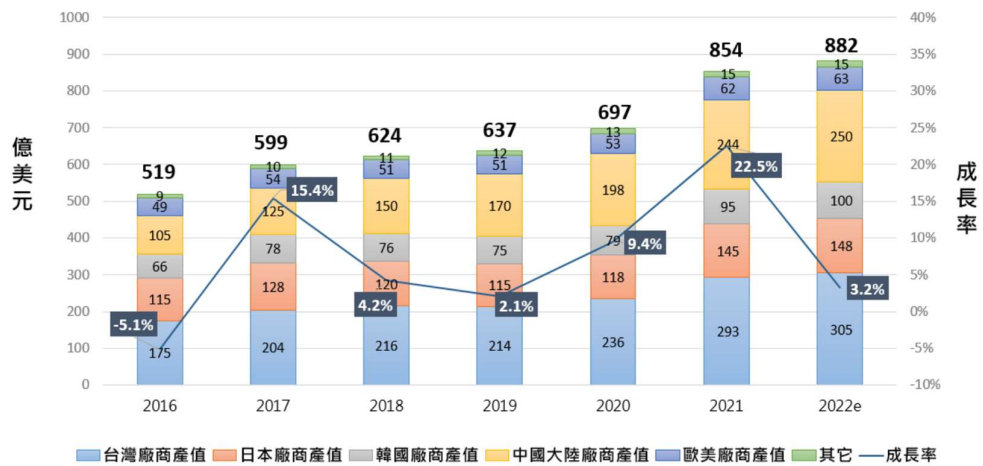
- 2023 Global PCB production will continue to reach record highs, but growth motivations are weakening.

1. Although the performance of 2022 was not bad, the growth momentum weakened quarter by quarter.

The continued negative factors such as international conflicts, high inflation, and high inventories have caused the optimistic atmosphere that was originally immersed in 2021 to change with the unveiling of global economic and consumer data in 2022. Although the timing of the reversal is different in different countries due to differences in product and customer structures, overall the growth momentum of global PCB output shows a weakening phenomenon quarter by quarter. Especially in the second half of the year, the impact of the sluggish consumer demand, there have been many companies have been a decline in performance, this situation continued to the end of the year still did not see any signs of improvement, which also makes the outcome of the first half of the war almost exhausted, the estimated global PCB production value of US\$ 88.2 billion in 2022, an annual growth rate of 3.2%, compared with the first half of the estimated 5.5% down. As compared to 22.5% in 2021, the decline in demand was quite significant.



Figure 1: Global circuit board production value scale



Source: TPCA; Technology International Strategy Center (ISTI), ITRI

Note: 2022 is based on Q1-Q3 data

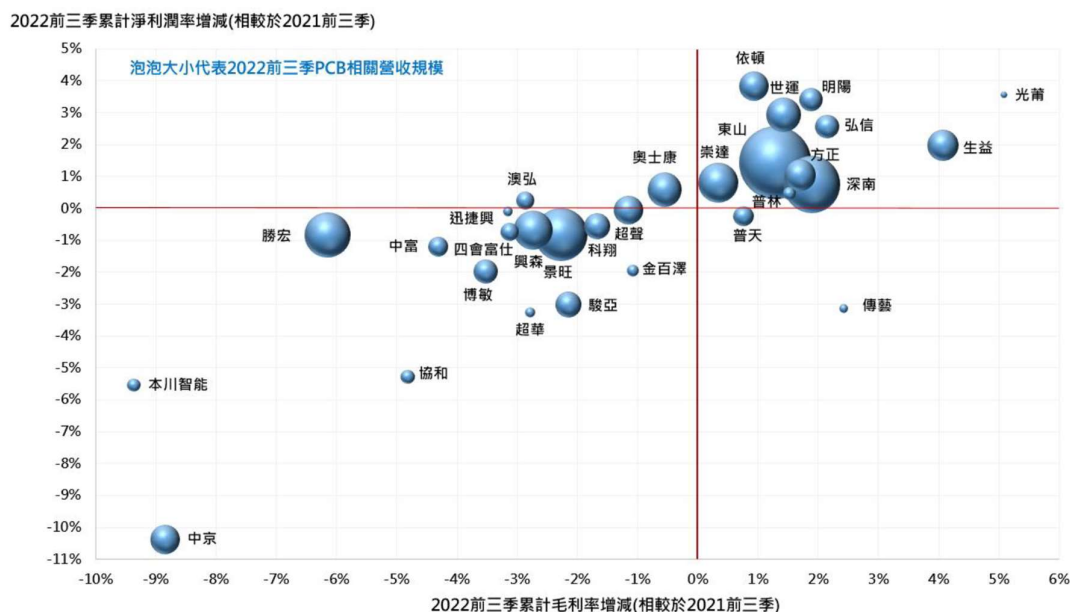
2. Various influencing factors were like ebb and flow. PCB market share changes in each region reach a balance point.

Looking at the changes in the global PCB supply territory, China invested factories have benefited from market factors in the past few years, and their production value has generally grown better than that of Taiwan, Japan and Korea. This has led to a rapid increase in market share, but due to the impact of external factors such as sluggish terminal demand, the tight supply of electricity and the demand for epidemic prevention, the growth of production value has been suppressed in the last two years. However, Taiwan, Japan and Korea are also interfered by the same factors. But the hot demand for carrier boards to offset the negative factors and even play a booster locomotive, especially such as Ibiden, Shinko, SEMCO, LG-Innotek and other major PCB operators in Japan and Korea, substrate revenue accounted for more than 90% of PCB products, in other words, Japan and Korea's growth can be said to come almost entirely from the substrate. In the past two years, the global PCB market share of each region has



changed by only 0.2 to 0.4 percentage points, maintaining a relatively stable balance in a short period of time.

Figure 2: Operating overview of listed PCB manufacturers in the first three quarters of 2022



Source: TPCA; Technology International Strategy Center (ISTI), ITRI

Note: Gross margin and net profit margin include non-circuit board products

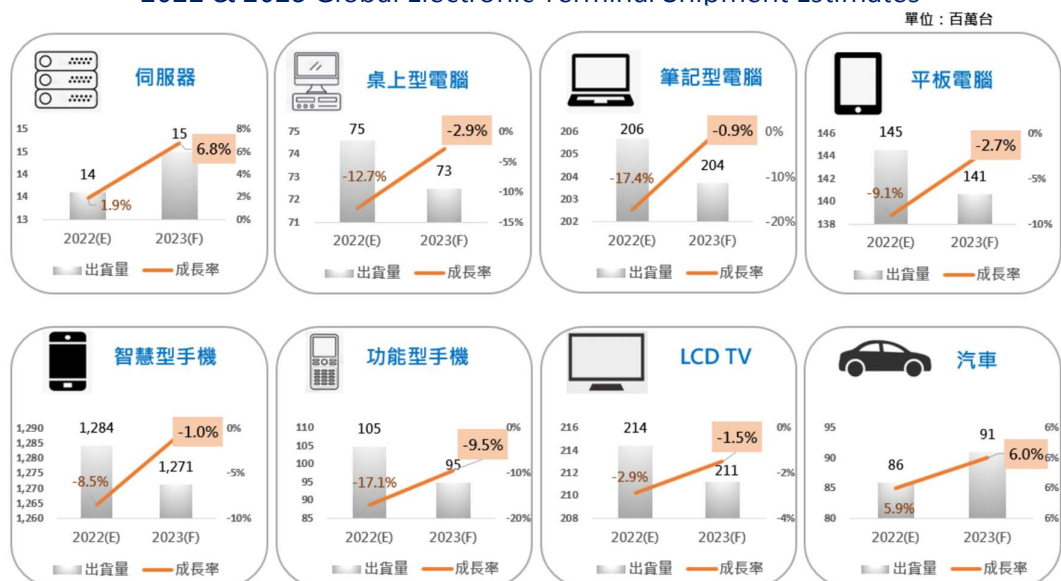
Although it is an undeniable fact that the substrates are hot, they can only reflect the market situation of the high-end computing market. If we further look at the operation of China-invested plants, we can better understand the changes in the general environment. Figure 2 shows the cumulative gross margin and net profit margin (compared to the same period in 2021) of the 30 China-invested listed companies for the first three quarters of 2022. Among them, only 11 companies had growth in both gross margin and net profit, and most of them were affected by the overall poor environment and reflected in the change of gross margin or net profit margin. Besides, from the relative size of the PCB business, although size is not a profit guarantee, in a downturn, the first companies affected are often those with the insufficient product or market fragmentation, which is usually reflected in the revenue size of the related business.



### 3. 2023 Global Terminal Products Show Slight Decline

Looking ahead to 2023, due to the poor economic forecast, manufacturers' sales estimates generally tend to be conservative, and the overall sales volume in the first half of the year will continue to be relatively sluggish in the second half of 2022, which will further affect the performance of the supply chain. With the inventory depletion and the relatively low base period in the second half of 2022, if the global economic and political situation does not worsen further, the second half of 2023 will have a chance to gradually emerge from the bottom, and the end products will resume positive growth, but of course, the strength still depends on the development of the general environment, and uncertainties still exist. According to the current situation, consumer products such as desktop/notebooks, tablets, smart phones, and TVs are still in decline in 2023. However, compared to 2022, the rate of decline has narrowed. Servers and automobiles will continue the momentum of 2022 and maintain their growth trend. Overall, global end-use products will be less volatile in 2023, with a slight decline in general.

2022 & 2023 Global Electronic Terminal Shipment Estimates



Source: Gartner



#### 4. Substrate growth momentum shrinks as a potential concern in 2023

From the data side, even though the terminal sales in 2022 was not good, but the global PCB production value can still maintain a positive growth of 3.2%, mainly due to substrate benefiting from the computing processors, demand continues to remain at a high level, and the planned production capacity in the past few years to produce a real contribution to the value of one after another. In addition, the continuous upgrade of end product specifications is the reason why the global PCB production value is still significantly better than the trend of end demand, and this is also reflected in the investment momentum of manufacturers. In addition to investment in rigid boards for specific applications (e.g., automotive), substrate products have become the target of most companies' future strategic development. This includes China manufacturers who are mainly focusing on rigid boards at this stage, indicating that even if the uncertainty about the future is rising. The substrate was still be a key product for manufacturers in 2022.

However, the reversal of the economy in the second half of 2022 has caused the demand for substrate, which was originally at a high level, to begin to loosen. There are various noises about if the demand can be sustained in 2023, which even affects the capital expenditure plans of some companies, and whether the plans of Table 1 companies will be adjusted in the future due to the uncertainty of the economy will be the focus of observation. In summary, although it is estimated that the global substrate in 2023 can still maintain positive growth. The outlook for other types of PCB products is also relatively optimistic, but the growth rate is expected to be lower than in 2022, and the force of global production value will be weaker.



5. 2023 global production value does not rule out a decline

From the perspective of quarterly production value YoY in 2022, the global PCB production value growth momentum weakening quarter by quarter trend is quite significant. And the 2023 withering depends on when the bottom of demand, how long the bottom lasts and how strong the rebound depends on the current economic data and the terminal forecast, the first half of the year is still in a downward trend, compared to the same period last year there will be a certain degree of decline. However, as mentioned earlier, for the supply chain, part of the reason for the weakening demand is due to customers' doubts about the economy and adjusting inventories, which in turn affects the proactiveness of orders. Therefore, in an optimistic scenario, when inflation eases, the economy and consumer demand may have a chance to regain momentum in the second half of the year, and global PCB production may still maintain a modest growth. However, the haze of global recession in 2023 will not go away, and the IMF even warned in January that one-third of the world's economies will fall into recession in 2023. In other words, the economic data and analysis released so far still cannot rule out the occurrence of this scenario, and the global PCB output still cannot rule out the pessimistic scenario of contraction again. In other words, the growth in 2023 will depend on the momentum in the second half of the year.

- Key Issues Affecting the 2023 Industry

In addition to the economic outlook and end-consumer demand, which will directly affect the global PCB production value, the epidemic, international political turmoil and the impact of extreme climate on energy in the past three years have awakened enterprises to pay more attention to the global balance layout, but global warming has made low-



carbon transformation an issue that enterprises have to face in the future, and even become a necessary condition for their survival. Both of the above will have an impact on the competitive situation of companies and will continue to ferment in 2023.

1. Companies to accelerate global deployment, Southeast Asia is a popular region

The major PCB manufacturers in 2022, the new or planned overseas investment projects, from the investment region, Southeast Asia is undoubtedly the target of most manufacturers, of which Thailand is the most popular, other production sites as the basis for planning include: : Malaysia and Vietnam. The above investments may affect the actual scale of investment in the future due to the variability of the economy, but overall, the pace of global deployment seems to have accelerated compared to the previous year.

2. The supply chain will be more serious and respond with actual carbon reduction

The Glasgow Climate Agreement, which was negotiated at COP26, can be seen as a consensus at this stage and has a decisive impact on how the world will operate in the future, with a 45% reduction in carbon emissions by 2030, based on 2020. Although the COP27 still maintains the same target, the United Nations Environment Program (UNEP) has released data on the "Emissions Gap Report 2022", global greenhouse gas emissions (excluding land use and forestry) in 2021 were higher than in 2019 before the epidemic. In other words, to return to a global warming of 2 degrees C or 1.5 degrees C by 2050, the amount of carbon reduction to be undertaken in the future will be even higher.



PCB products are the upstream of the supply chain, the degree of pressure felt depends on the government and customer requirements, of which the customer requirements have a greater impact. According to the SBTi PROGRESS REPORT 2021, by the end of 2021, there were 2,253 SBTi-based companies in the world, covering more than one-third of the market capitalization, of which more than half were added in 2021 alone. If we estimate the rate of global companies responding to SBTi (3,088 by May 2022 and over 3,500 by August 2022), the global estimate will be over 5,000 by 2023. The impact on the supply chain will be more visible, and as part of the supply chain, most PCB companies will be expected to face a greater number of customer requests and respond with actual carbon reductions.

## (2) Semiconductor industry

According to the World Semiconductor Trade Statistics Society (WSTS), the global semiconductor market is expected to reach US\$573.5 billion in 2022, representing an annual growth rate of 3.2%. The China semiconductor market is estimated to reach US\$180.3 billion, down 6.3% from the previous year. Asia/Pacific semiconductor market sales were US\$150.4 billion, down 0.08% from the previous year, while the U.S. semiconductor market sales were US\$140.9 billion, up 16.0% from the previous year. Sales in Europe were US\$53.8 billion, a 12.7% increase from the prior year. Japan's semiconductor market grew 10.0% from the previous year to US\$48.0 billion.

In the second half of 2022, the global economy is expected to start to adjust supply chain inventories as end-market demand weakens amid high inflation, rising interest rates, higher energy costs and continued zeroing pressure from China. The global semiconductor market is expected to



remain constrained by oversupply and weak prices in 2023, so WSTS estimates the global semiconductor market to be US\$550.2 billion in 2023, a 4.1% annual decline.

Taiwan's IC industry output was NT\$1,197.1 billion in the fourth quarter of 2022, down 3.7% from the previous quarter and up 8.2% from the same quarter last year. IC design, IC packaging and testing, memory and other manufacturing sectors continued to suffer from the global economic downturn, weak demand for end-use consumer electronics products, and high inventory levels, resulting in negative quarterly growth in these sectors. As for foundries in IC manufacturing, the 5nm and 7nm advanced processes were the main drivers of revenue growth, and benefited from the increase in foundry prices, resulting in a slight positive growth of 1.5% in the fourth quarter. Overall, Taiwan's semiconductor industry continues to supply the semiconductor wafers needed by global customers with the advantage of advanced process technology and production. In 2022, the annual production value of Taiwan's semiconductor industry will reach a new record high of NT\$4,837 billion, with an annual growth rate of 18.5%.

Looking ahead to the first quarter of 2023, Taiwan's IC industry output is estimated at NT\$1.06 trillion, a 10.9% decline from the previous quarter and an 8.0% decline quarter-over-quarter. This is mainly due to global inflation and other environmental factors affecting end-use demand, as well as a decline in capacity utilization due to continued inventory and supply adjustments in a depressed market. In addition, the first quarter is the lowest demand quarter in the global market cycle, so all areas are expected to show a quarterly decline.



## 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.

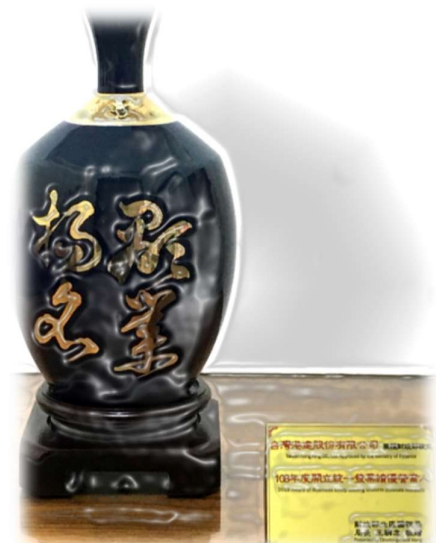


## E. Awards

Category	Year	Presented by	Award
Corporate Governance	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
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



Category	Year	Presented by	Award
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	Best Sales Penetration and Best Service Award in Asia Pacific Region
Business	2008	SIKAMA	Quota Busters Club Member

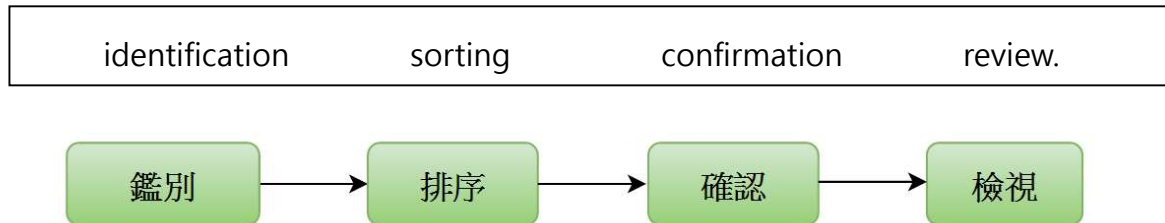




### III. Interested Parties Identification and Communication

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



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



## 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, 3 directors are within the age of 60~70 and 2 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 : HO SHU-CN	Male	Wong' s Kong King International (Holdings) Limited	TKK: Chairman : Other companies: CFO of Wong' s Kong King International (Holdings) Limited
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)
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.



Title	Name	Gender	Experience (Education)	Current Positions at The Company and Other Companies
Director	CHEN MEI-FEN	Female	TKK Vice-President Chung Yuan Christian University	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)
Independent Director	HUANG WEN-YUEAN	Male	EMBA of Electronics Engineering, NCTU Plant Director of Taiwan Semiconductor Manufacturing Company, Limited	TKK: None Other companies: None
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



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	HUANG WEN- YUEAN	Male	Master of Electronics Engineering, NCTU Master of EMBA, NCTU Semiconductor Manufacturing Company, Limited
Member	CHEN MEI- FEN	Female	TKK Vice President



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
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### 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. As of the date of this report, the current remuneration committee has held a total of 8 meetings.

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	HUANG WEN-YUEAN	Male	Master of Electronics Engineering, NCTU Master of EMBA, NCTU Semiconductor Manufacturing Company, Limited
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.

### 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

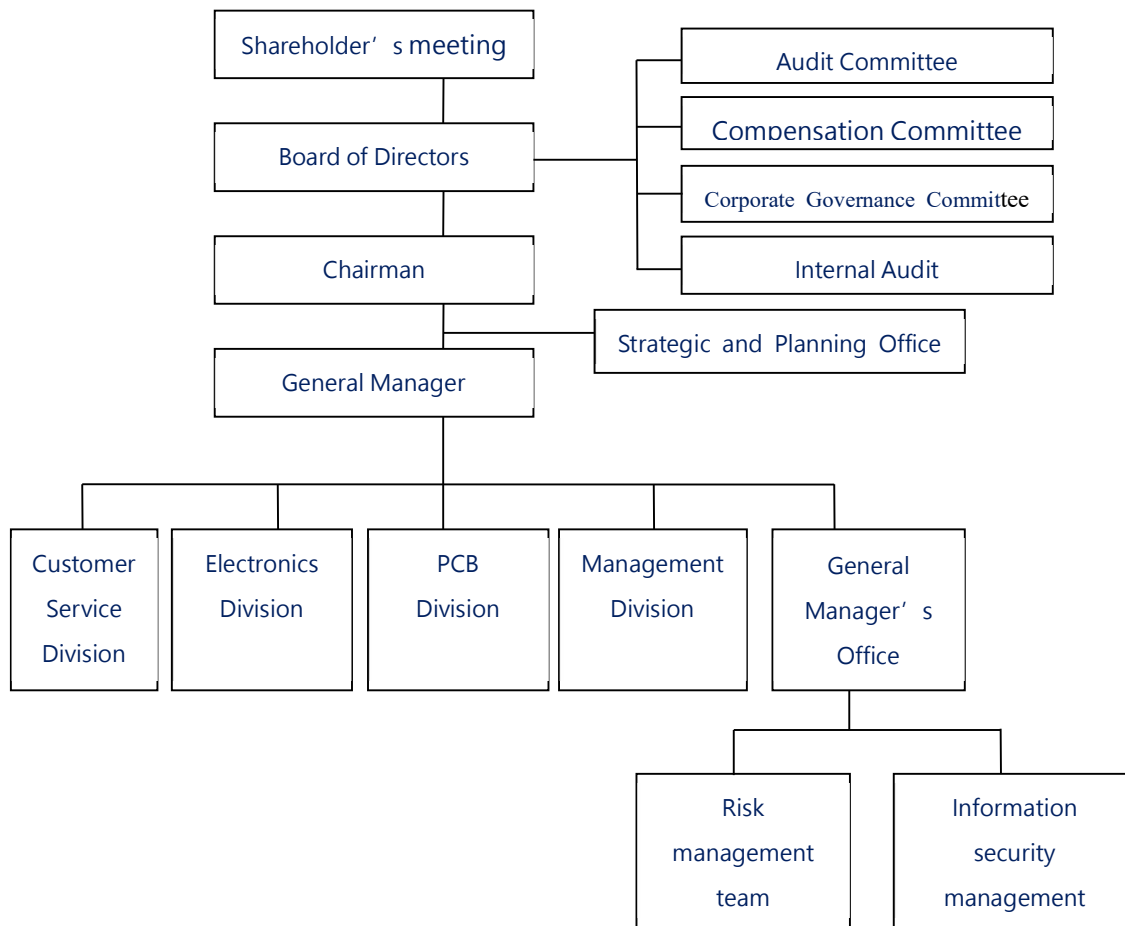


effectiveness; formulation, supervision and review of corporate social responsibility policies, systems or relevant management policies; formulation, supervision and review of integrity management policies and prevention plans; establishment, supervision and review of environmental sustainability system 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. As of the date of this report, the current corporate governance committee has held a total of 3 meeting.

Corporate Governance Committee Members			
Title	Name	Gender	Experience (Education)
Convener	LIAO HUNG-YING	Male	TKK President The 31 <sup>st</sup> Executive Program, NCCU
Member	CHEN MEI-FEN	Female	TKK Vice President
Member	HUANG WEN-YUEAN	Male	Master of Electronics Engineering, NCTU Master of EMBA, NCTU Semiconductor Manufacturing Company, Limited
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



## B. Organizational Structure



### 1. Department functions

Department	Function
General Manager's Office	<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>



Internal Audit	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
Management Division	The division includes the Finance Department, Management Department, Procurement Department and Sales and Marketing Department. Finance Department: Cashier and accounting matters. Management Department: Import and export operations, general affairs and personnel management operations. Procurement Department: Responsible for company procurement matters. Sales and sales department: Sales management of inventory sales and warehouse management.
PCB Division	PCB equipment and materials sales planning, market research, operating activities and market development plans, development and implementation.
Electronics Division	SMT, semiconductor and optical communications sales planning, market research, operating activities and market development plans, development and implementation.
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 15, 2023

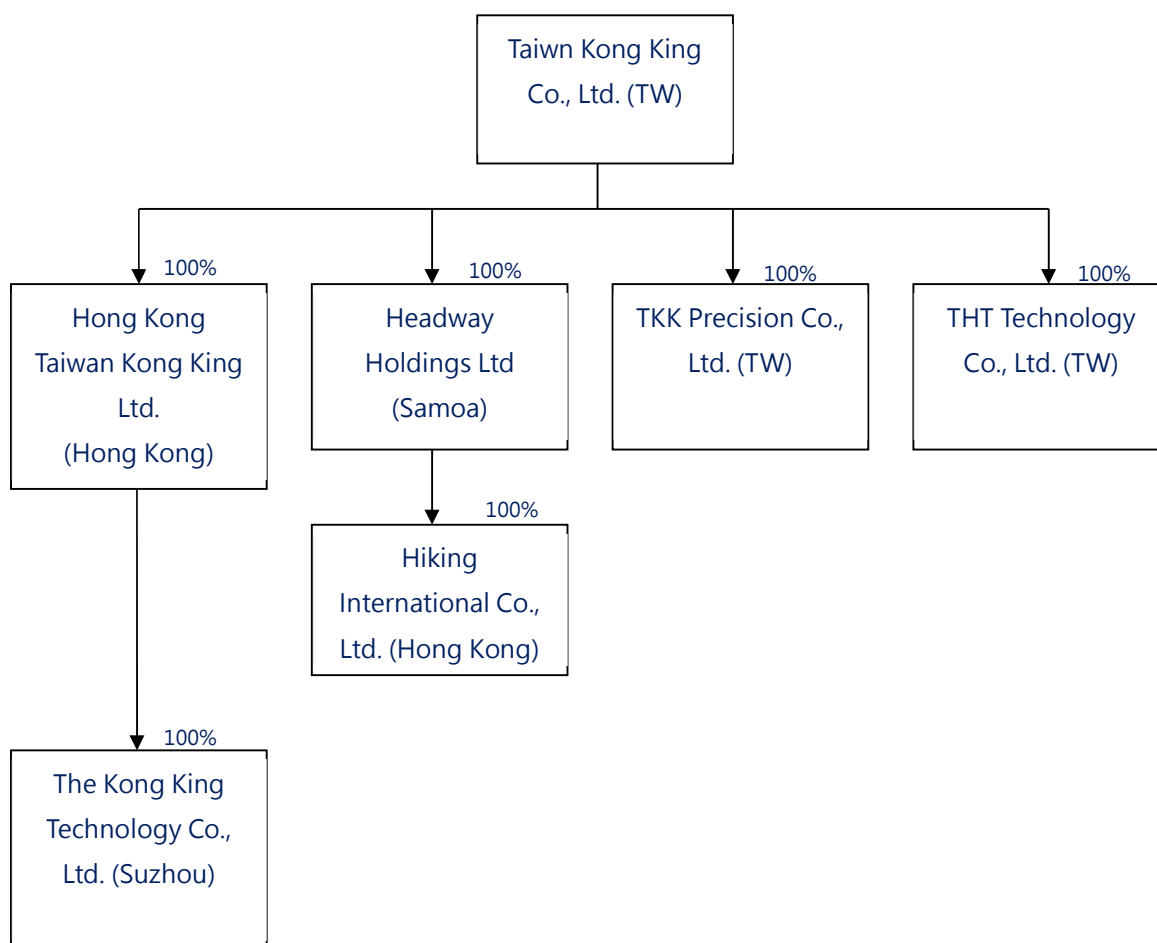
Shareholder structure	Government Agencies	Financial Institutions	Local Institutions	Other Juridical Persons	Local Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	5	15	5	5,615	17	5,657



Shareholding (shares)	0	155,129	3,014,768	1,027,364	40,426,419	100,531,896	145,155,576
Percentage	0	0.11%	2.08%	0.71%	27.85%	69.25%	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) TTK 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 2022, 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 2022, 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
Air-conditioning: Every 1°C increase can reduce the ice water power consumption host by about 2%.	<ol style="list-style-type: none"> <li>1. Set higher temperature when out of summer.</li> <li>2. Replace the blower temperature controller.</li> </ol>
Lights: <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>1. Reduce 22 lights.</li> <li>2. Replace the current T5 lamp holder (61W) with an LED flat lamp holder (22W)</li> </ol>
Office machine (computer, screen, coffee machine, water dispenser, printer, etc.)	<ol style="list-style-type: none"> <li>1. Turn off the power switch when getting off work.</li> <li>2. Use electricity-saving electronics</li> </ol>

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 260,000 kilograms of transportation volume from 2020 to the first half year of 2023.

## 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 358,316 kg in 2021, the electricity carbon emission in 2022 decreased by 3.81% to 344,666 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 271.02 kg of water carbon emission in 2021, the water carbon emission in 2022 decreased by 3.05% to 262.75 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 2449.3 kg of general waste in 2021, the general waste of 2172.1 kg in 2022 decreased by 11.32%, 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)
2022	344,666
2021	358,316
2020	347,500

The decrease rate of electricity carbon emissions in 2022 compared with 2021 is 3.81%.

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)
2022	263
2021	271
2020	204

The decrease rate of water carbon emission in 2022 compared with 2021 is 2.95%.

(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 2022 to 2021, the total emissions have been reduced by 3.81%.

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. TKK 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	2021	2022
Number of non-manager full-time employees (persons)	126	124
Total salary of non-manager full-time employees (NT\$ thousand)	119,489	145,215
Average salary of non-manager full-time employees (NT\$ thousand)	948	1,171
Median of the salary of non-manager full-time employees (NT\$ thousand)	900	1,090



(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		2021	2022
Number of Employees	Manager level (inclusive) and above	25	27
	Technical service	64	66
	Business Marketing	17	15
	Administrative	34	34
Total		140	142
Male		97	98
Female		43	44
Average Age		42.26	42.95
Average Years of Service		12.82	13.77
Education (%)	Masters	8.5%	8.4%
	Bachelor' s Degree	88%	89%
	Senior High School	3.5%	2.8%
	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 30%, and the average proportion of female managers was 26%.

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.

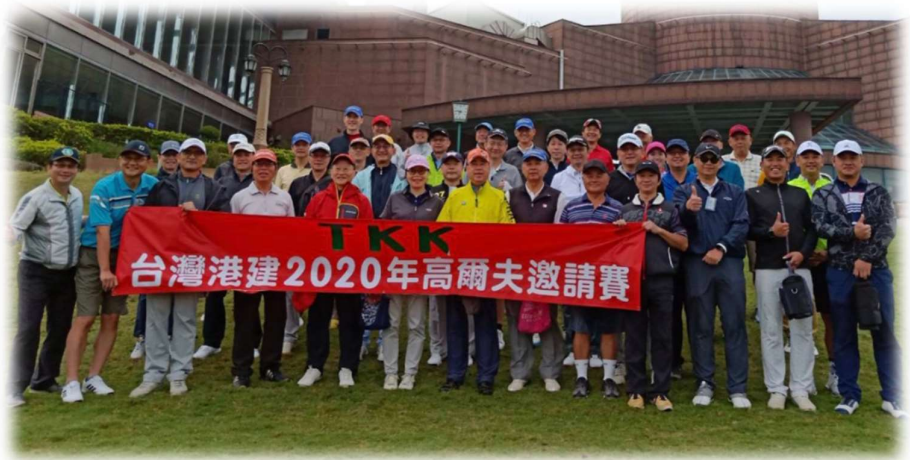
#### 4. Barrier-free facilities in the workplace

- (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 exercise 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 course, thinking and innovation course: subordinate training course, leadership and motivation course, work planning and execution, 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	2021	2022
Total training costs	NT\$ million	0.23	0.173
Total training hours	Hours	3,098	3,514
Training costs /total revenue	%(to the second decimal place)	0.01%	0.01%
Training costs / Number of employees	NT\$/person	1,639	1,218
Total training hours / Number of employees	hours/person	22.13	24.75





## VII. Customer Service and Supplier Management



### A. Customer Service Satisfaction

#### 1. Professional service and customer satisfaction

With the goal of "professional service; customer satisfaction", TKK 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 TKK. 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 TKK has been doing.

## 2. Partnerships with suppliers

The relationship between TKK 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, 306 sharing sessions in 2023. 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 Competition and Seminars	\$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 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, let sustainable design sprout from universities, and give Taiwan's next generation a thriving power.
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 2022 is as follows:

Category	School	Number of People Hired	Internship Period
Industry-academia cooperation	Ming Chi University of Science and Technology	3	2022/9/12-2023/9/08

### ➤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	TPCF	NT\$100,000
2023	The company held a blood donation event	Blood donation

◆ Young people Guidance Project - Dagang Junior High School



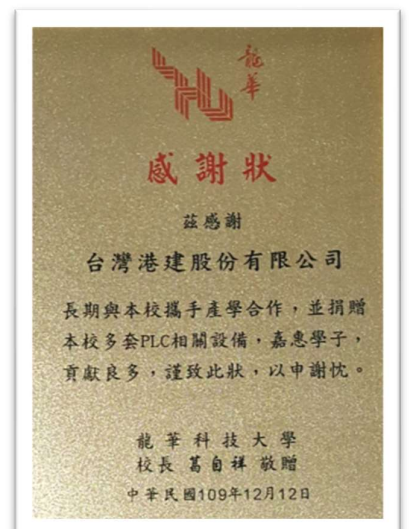


◆ Second-hand goods charity sale to raise funds and donations



◆ Donate tables and chairs to Dayong Elementary School

◆ Longhua University Certificate of Appreciation!



◆ Blood Donation





## 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				
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