



**Shining Building Business Co., Ltd.**



## **Sustainability Report 2022**

**(English Abstract Version)**

## Chairman's Words



I come from the mountains of Caoling, Gukeng, Yunlin County. I grew up running and jumping in the mountains and forests. I have experienced the experience and life with a broad perspective for a long time. Therefore, the "Residence" I define for Shining is a home that is different from the traditional concept and should be it is an infinite vision and space that allows people to escape from the world, completely relax their body and mind, and is full of natural atmosphere.

In 1980, I started my career in the tourism industry. It was also because I founded the Caoling Mountaineering Team that I began to renovate the three-sided courtyard at home, including decoration design, cement laying, decoration, etc. This inspired me to be interested in architecture and decided to enter the construction industry.

"Build the best house in the best location" and "What Shining sells is not just a house, but a brand new life experience". Based on these two core spirits, I began to devote myself to seeking various innovations in the construction industry. For new planning and design, learn tips from other people's experiences.

The way to build a good house is not only location, location, but also location, and "Planning is the foundation of construction". From site selection, planning and design, construction to management and maintenance, every link must be the most humane and humane. Providing products with the best functions and lifestyles, Shining not only uses high-quality building materials, rigorous construction quality, rich and practical public planning, and ensures the safety and comfort of residents, but also provides customers with sustainable after-sales services.

In order to implement corporate social responsibility, we should always follow the spirit of continuous innovation and self-transcendence, deeply cultivate all the fields we have invested in, and with "Persistence and Quality Assurance" as the core business philosophy, and "Innovation, International, Touching, and Sustainable" as the business goal.

After I founded "Shining Building Business Co., Ltd.", I also established "Taiyu Construction Co., Ltd." and "Shining Hydropower Co., Ltd.". In order to adhere to the quality of my own construction and vertically integrate the three companies into the most complete one through a professional engineering and technical team. Shining Group has formulated "Standard Construction Methods" to standardize the construction process to meet the four major requirements of quality, budget, schedule, and safety. This is also the social responsibility that a real estate operator should fulfill, and it constantly develops new products based on customer needs. This construction method is quite rare in Taiwan, and we must also adhere to the concept of sustainable management of Shining.

Shining is the first builder to bring the Lalu architectural aesthetics and life aesthetics into luxury communities. It pays attention to the delicacy of design. In order to make residents feel like they are on

vacation every day when they go home, they can fully relax their body and soul, so in public facilities include audio-visual rooms, gyms, infinity swimming pools, banquet halls, central kitchens, and sky gardens, etc., creating an urban leisure and vacation atmosphere.

In terms of community service and safety, there is also a community secretary and security system that provides resident honor services and residential safety. It takes into account the usage needs, living functions, and flow lines of each family member, designs an on-going forward style building, and provides hotel style services and management to ensure that the core spirit of rural forests cannot be replicated.

Because the Shining houses have repeatedly had new design ideas, including designing an aerial vegetable garden on the rooftop many years ago, allowing residents to experience urban farmers and be self-sufficient. Through community vegetable planting, residents communicate together, gather centripetal force, teach residents to use kitchen waste to make organic fertilizer, and install solar panels on the rooftop.

At the beginning of planning, the design department of Shining will provide residents with conditions such as a sense of honor, six senses of life aesthetics, as well as lighting, ventilation, and vision, all of which will be included in the design review, creating a good building that serves the coexistence of temperature and natural life.

For Shining Group, employees are the largest and most important asset, and good talents are the key to the sustainable operation of the company. Therefore, Shining actively cultivates human resources, hoping that the next generation of young people can learn more and be able to work online at any time, cultivating their ability to stand alone.

Optimistic about the tourism potential of mainland China, Shining Group continues to promote the "1030 Plan" and plans to invest in 30 Lalu Hotel development projects in the mainland. Qingdao Lalu Hotel and Nanjing Lalu Hotel have opened in October 2014 and April 2018 respectively; the world's fourth Lalu Hotel is also under construction in Chengdu Fenghuang Mountain. In addition, it will accelerate investment in Guilin, Guangxi, Wudang Mountain in Hubei, Shanghai, Tianjin, Sanya, Nanchang, Suzhou, Wuxi, Fuzhou, Hefei, Xiamen and other cities. In addition to deeply exploring the mainland market, it is also preparing to open a second store in Taiwan. Lalu Hotel hopes to welcome more international tourism markets and business opportunities.


This year is the year of sustainable development of Shining. Shining has been established for 45 years. It will also begin to transform into an enterprise or expand its business scope. Especially in response to the new form of life after the global epidemic, companies in various countries are accelerating the promotion of carbon neutrality. With the net-zero carbon emission declaration, Shining Group is no exception. It is currently preparing to invest in ESG plans (Environmental Protection, Social Responsibility, and Corporate Governance), and plans to plant forests extensively and invest in energy development projects. Through vertical integration of upstream and downstream, gathering resources from various departments and exerting unified combat power, we can grasp trends, guide fashion, and create demand in an era of rapid changes in subjective and objective environments, strengthen our competitive advantages, and build a foundation for sustainable corporate development.

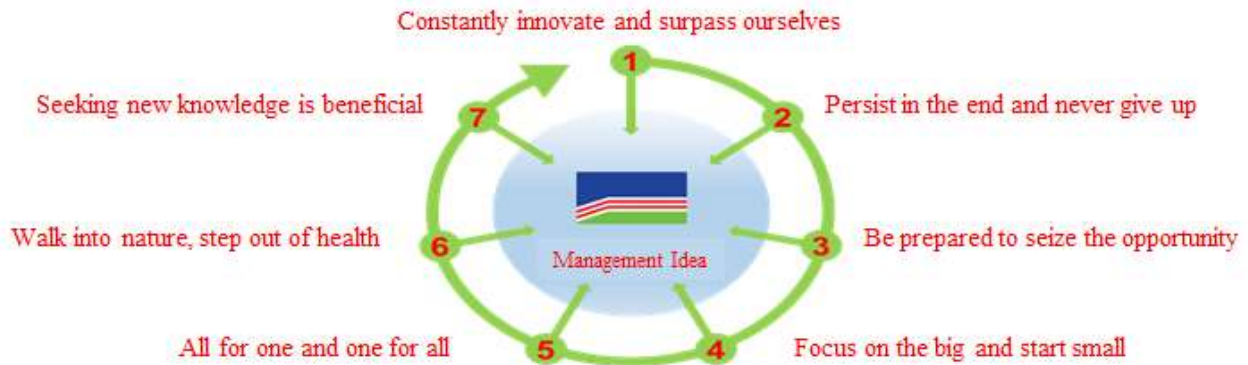
Chairman

Lai, Cheng-I



## | Core Value of Shining | Adhere to Persistent, Quality Assurance

<p>Blue Sky: It symbolizes our positive ambition of boundless vision, boundless creativity, and boundless development.</p>	 服務社會 開發自然 <b>御林集團</b> SHINING GROUP
<p>Green Land: It symbolizes our love for the land, concern for the ecology, and sustainable management of our love for the hometown.</p>	
<p>Red Line: The uplifting red line symbolizes that we embrace the crowd, serve the society, and adhere to the outstanding childlike pure heart.</p>	



## | Innovation, International, Touching, and Sustainable |

Since the establishment of Shining, we have always been deeply involved in various business fields in which we invest with the spirit of continuous innovation and continuous self-transcendence. The "Caoling Hiking and Mountaineering Team" founded by the chairman in the early days transformed the three-sided courtyard in his hometown into a base camp for youth activities during the winter and summer vacations. It was the first B&B in Taiwan and was a concrete practice of "Innovation".

Shining Group is also the first to bring leisure hotel-style services into community operations, "Replacing manpower with equipment, replacing management with services", integrating "Public Art" into life, and bringing new concepts of new lifestyles and new attitude towards life. To consumers, with excellent quality and customer reputation, Shining will become a leading brand in Taiwan's real estate market. Lalu Hotel has also led the market in Taiwan's cultural and creative tourism industry, setting a new model for resort hotels. It has also replicated Taiwan's experience and deployed globally to build on the past and create new trends in the future.

In its internationalization efforts, Shining took the lead in introducing Japanese contemporary art as a living art in public spaces and introduced it into real estate development projects; it also collaborated with many international architects on design, including cooperating with resort hotel design guru Kerry Hill to develop Sun Moon Lake Lalu Hotel; cooperated with Buchan Group of Australia to plan and develop super-large commercial real estate integrating mass transportation, conferences, exhibitions, shopping, entertainment, catering, and leisure; Kerry Hill planned and designed Qingdao Lalu Hotel; Singapore SCDA designed Nanjing Lalu Hotel. The pace of internationalization has not stopped, leading Shining to be at the forefront of the world's architectural wave, becoming a comprehensive real estate developer that grasps trends, creates demand, and leads fashion.

"Brand Touching" has always been the company's unchanging policy, while service is the

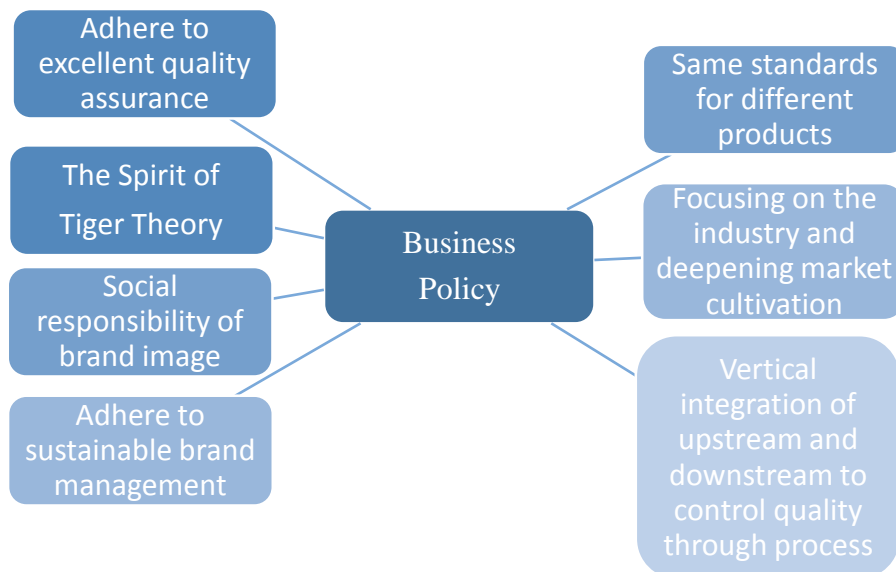
cornerstone of enterprise development. We deeply cultivate and operate case communities, get close to customer life, and set up special areas within each project to plan a story hall for each project, in order to strengthen the Shining brand story. Shining always thinks from the perspective of customer usage needs, providing customers with timely services and a brand new life experience to move more customers.

To implement the concept of sustainable management, as early as the establishment of Shining, we put the word "Shining" on each building name, such as Shining Yuchuan, Shining Art Museum, Shining Chunzhen, etc., to show our responsibility. Our permanent after-sales service principle, regardless of the age of the property or the number of times it has been sold, we uphold a responsible attitude and respond carefully to customer needs, winning market recognition for us and allowing our rural forest brand to stand firm in the Taiwan real estate market.



## | 2022 Annual Operating Plan |

### 1. Business Policy



## 2. Expected sales quantity and its basis

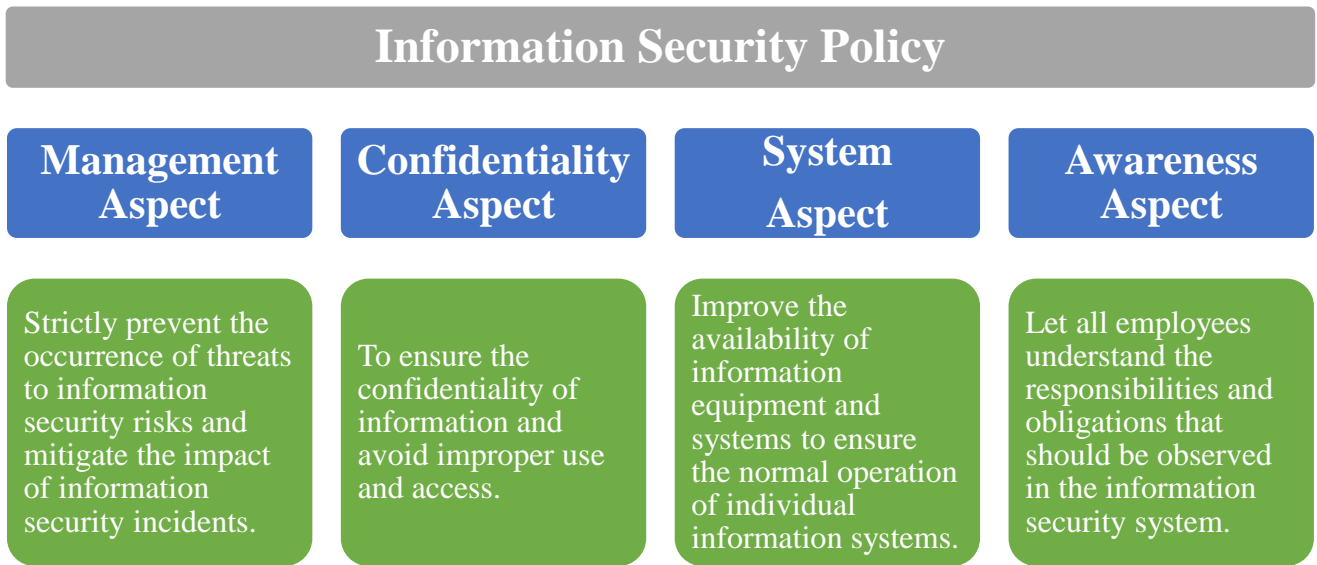
Case		Estimated / Proposed target amount	Estimated target amount of new land acquisition project
Taiwan	Urban Renewal Case of Jilin Road in Taipei City	2,596	
	Urban Renewal Case in Wanhua District, Taipei City	5,240	
	Urban Renewal of Nongan Street in Taipei City	5,550	
	Joint construction project in Beitou District, Taipei City	573	
	New land acquisition in the Greater Taipei area		5,000
	New land acquisition in the Greater Taichung area		2,500
	Subtotal of Taiwan	13,959	7,500
China	Chengdu R6 plot	10,130	
	Chengdu R4 plot	10,863	
	Chengdu R2 plot	4,734	
	Chengdu R1 plot	7,083	
	New land acquisition in central China		18,000
	New land acquisition in eastern China		20,250
	New land acquisition in southern China		15,750
	Subtotal of China	32,810	54,000
<b>Proposed and new land acquisition project target amount</b>		<b>46,769</b>	<b>61,500</b>
<b>Total</b>			<b>108,269</b>

Amounts in New Taiwan Million Dollars

## 3. Important Production and Marketing Policy

This year is the year for the sustainable cultivation of Shining brands, and we will also begin to transform or expand our business scope towards enterprises, especially in response to the new forms of post pandemic life worldwide. Countries and enterprises are accelerating the promotion of carbon neutrality and net zero carbon emissions, and rural forest groups are no exception. Currently, we are preparing to invest in ESG plans.

#### 4. Information Security Policy

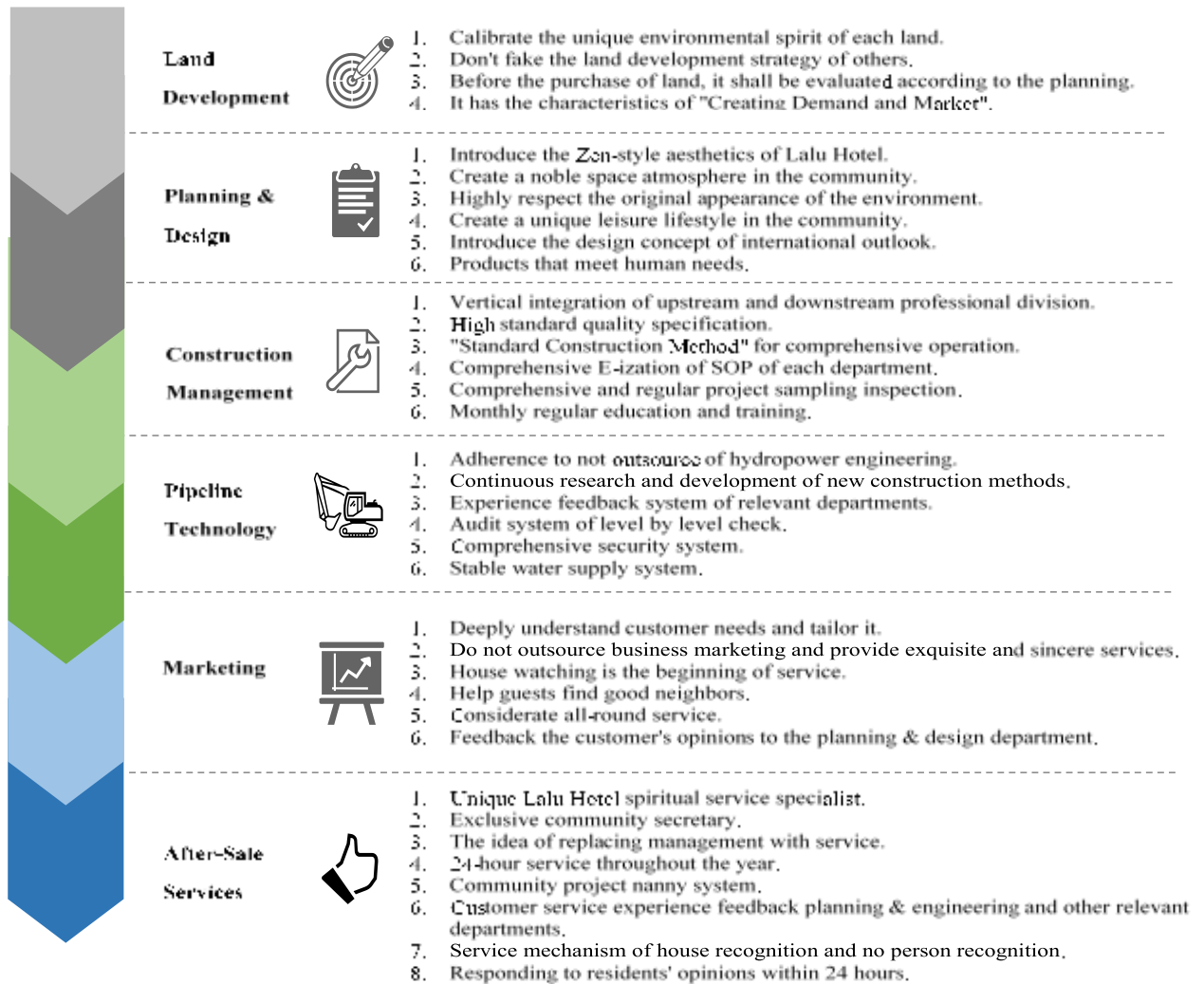


#### Information security-related actions in 2022

Items	Execution Method	Result Description
<b>Information Security Operating Procedures</b>	The Information Unit, together with the Business Management Division and the Audit Division, discussed and edited the documents, and completed the document formulation and numbering in accordance with the "Document Formulation Operating Management Procedures", whether each control point is implemented will be supervised by the Audit Division.	The document has been released in the first quarter of 2022 and is published in the SOP document area of the internal website.
<b>Information Security Principles Notification</b>	It has been officially implemented in the first quarter of 2022. Develop information security related documents, and have each unit's reception window inform manufacturers or visitors of the relevant regulations and sign them based on the purpose of the visit. This document is provided in both lobby security and internal websites.	The reception window is clearer than before about what should be paid attention to when receiving guests, and has clear regulations for visitors.

## | Sustainable Building & Vertical Integration |

Shining has always adhered to "One-Whip Management" for a long time. Through the vertical integration of upstream and downstream, the resources of various departments are brought together to exert integrated combat power, so that in the era of rapid changes in the subjective and objective environment, we can grasp trends, guide trends, and create demand. , We will build our strong competitive advantages and build the foundation for the sustainable development of the enterprise.



Shining hopes that the planning will not only provide customers with high-quality houses, but also provide them with a sense of home. We hope the "Home" is not only a shelter from wind and rain, but also a space for rest and health. Therefore, from the beginning of land development and planning, Shining has integrated the upstream and downstream, made an overall planning investigation for the construction project, and incorporated the service spirit of integration of three generations, hoping to provide services to become the home of the three generations.

In order to integrate and cooperate with other departments, Shining has formulated "Five Unique Conferences". With the agenda of the conference, it clearly distributes the functions and division of labor among different departments from the initial product orientation to the final pre public product conference, and maximizes the efficiency of vertical integration between different departments.



## | Lulu Aesthetics |

### 1. Lulu Spirit

In 1999, Shining Group took Lulu Hotel as a model and introduced international hotel style apartment services in Shining buildings, adopting hotel style management and British style butler services. Its essence is the concept of "Service starts with a smile", "Treating customers as if they are close", and "Service is willing to walk a few more miles for customers", which is to make residents feel "Moved".

The planning of Shining Community is based on the service spirit of Lulu Hotel, and property management follows the customer-oriented service approach of Lulu Hotel. Before the community is handed over to property management, Shining provides professional Lulu Hotel instructors for education and training. The education and training content includes bar service, western style catering, Chinese style catering, and service etiquette, allowing property companies to fully provide the eleven hotel style management services unique to Shining.

In the early stages of the public building project, architects and designers worked together to plan and design, providing a relaxing living experience upon returning home. And promote exclusive nannies in the community, so that customer service personnel can deeply understand every matter in the community, actively assist in participating in community management committee affairs, and periodically investigate the housing situation of residents in each community to improve interaction and management efficiency with the community, so that residents can live in peace of mind.



### 2. Lulu Aesthetics

Lulu Hotel is a model of vacation hotels in Taiwan, with a unique cultural detail that creates a brand new vacation concept and living experience. In 1901, Japanese man Ito built a wooden house on the present-day Hanbi Peninsula as a vacation and named it "Hanbi Tower". Later, Japanese Crown Prince Hirohito came to Taiwan for inspection, designated Hanbi Tower as his residence, and expanded it into

a two-story building to become an official guesthouse during the Japanese occupation of Taiwan. For a century, Hanbi Tower has been receiving important leaders from Taiwan in the past. It was not until 1998 when Shining purchased and rebuilt this historic building that it became a renowned international brand leisure and vacation hotel.

Lalu Hotel integrates unique local landscapes that fully integrate elements such as nature, architecture, and horticulture, with "Minimalism" and "Zen Style" as its architectural design core. It presents a touching space, scene, context, and atmosphere that completely relieves the mind and body.

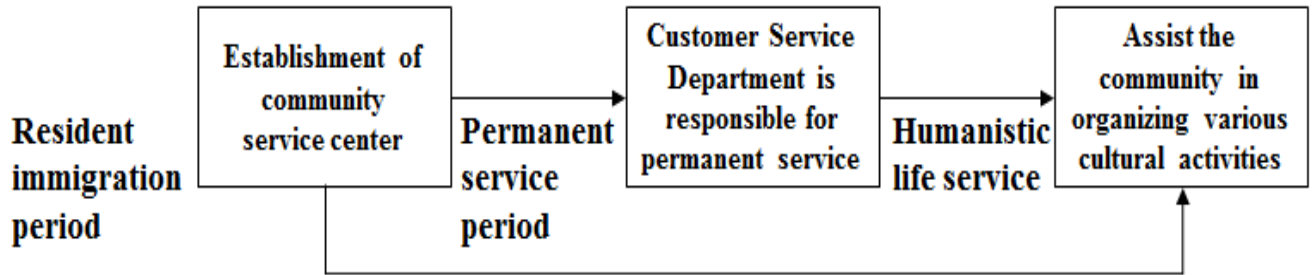
Shining is a pioneer in the application of Lalu lifestyle and Lalu aesthetics to the design of luxury residential buildings. In the process of planning and design, green buildings have become the main focus of Shining, and according to the local environment, the original ecology is preserved as much as possible, and even the surrounding areas are integrated into the community. Shining planning and design is unique to other construction companies in the market, ensuring integrity and accuracy through cross departmental cooperation, integrating the concept of Lalu Hotel with aesthetics to architects and designers, truly hoping to change people's better memories of home.



## | Customer Service Management |

### 1. Resident immigration period: Establishment of community service center.

Assist in the implementation of community conventions, assist the management committee in handling building related management matters, demonstrate the operation of household relocation and decoration assistance and home repair consulting equipment, promote community cultural life and fellowship activities, and maintain community equipment.



### 2. Permanent service period

The Company's after-sales service department, dedicated permanent service, regular house health inspection service, emergency maintenance team for real estate problem buying and selling consultation, 24-hour standby service, one call instant service, community cultural life planning service to assist in community festival activities, such as fire-fighting lectures, health and art awards, intellectual activities, fellowship competitions, promoting neighborhood harmony, and improving the quality of life at home according to the needs of the community.

### 3. Humanistic life service

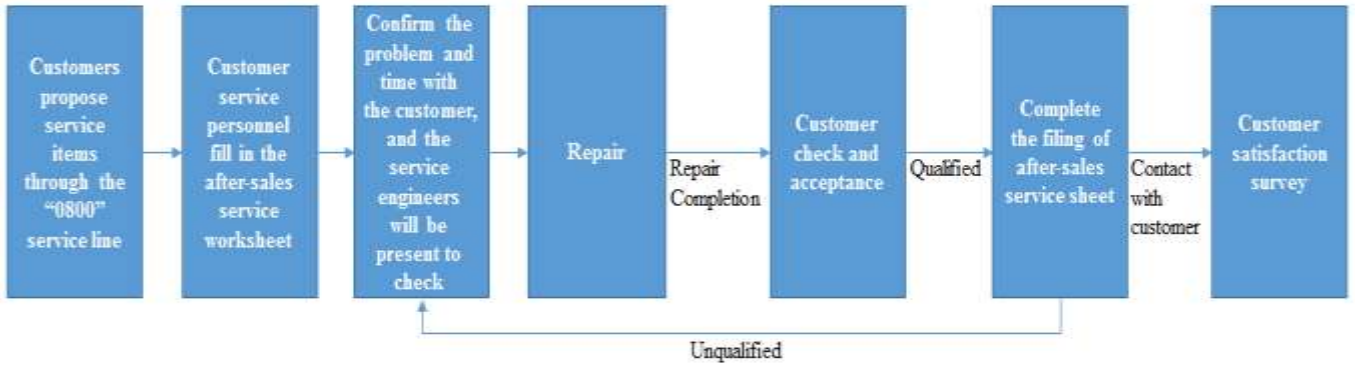
The Company regularly holds: festival activities, series of lectures, community studies, intellectual tours, community sports friendly competitions and other networking activities to enhance neighborhood interaction and humanistic quality. According to the needs of each community, the Company will immediately assist in handling the matter through a phone call through the management committee.

## | After-sales Service Mechanism |

Shining attaches importance to customer service, especially sets up a customer service department to service customers' needs, provides 24-hour toll free telephone lines, and instantly understands residents' life repair and repair problems. When the customer service receives a call from the resident, the customer service personnel will file the case by issuing a quadruple form, and the customer service personnel will quickly reply to the resident's questions within 24 hours. If it is a project repair problem, the customer service personnel shall immediately transfer the copy form to the repair responsible department, go to the site as soon as possible to determine the responsibility and estimate, and then dispatch the manufacturer to repair it. After the completion, the customer shall confirm with the residents, and the customer shall sign back the copy form and deliver it to the customer service department before completing the settlement. The follow-up customer service personnel also kept tracking whether the customer's needs were met.



In addition, through site inspection and community after-sales service repair reporting, from the perspective of customers, the problem points and deficiencies were put forward in the quality review meeting and cross department coordination meeting in the form of briefing, and improvement suggestions were provided to record, count, analyze, discuss and revise the recurrence prevention countermeasures in the cross department meeting, and provide reference for each site. Actively improve construction methods, provide new projects with good construction methods, and promote the overall development of Shining.



## | Hotel Management Service |

Shining takes the service spirit of Lalu Hotel as the indicator, so that every resident can enjoy the most comfortable service. All community property management personnel need to go through the service training of Lalu Hotel to achieve the most cordial, sensitive, delicate, simple and considerate service.





## | Community Building |

### Community cultural characteristics

Shining utilizes the top floor of the community to create an "Organic agricultural garden in the air", allowing residents in the urban area to return to simplicity and grow organic vegetables for leisure and health preservation, winning enthusiastic responses from residents and becoming a platform for emotional communication among them.

Every inch of land in the metropolitan area is precious, and being able to plant vegetables and fruits in one's own community has always been the expectation of residents. In the past decade, the promotion of rural forest construction in Taichung and Taipei has three major characteristics. In addition to hotel style services and the Lalu Hotel architectural vocabulary that makes people feel like they are on vacation at home, it also focuses on green leisure style. A "Sky Organic Farm" has been planned on the top floor, and a vegetable box area has been added, allowing residents to have their own happy farm. Since 2010, the establishment of Happy Farm has been taking place. In addition to the one acre field in Shining Yangming one-acre field in 2010 and the design of the Shining Dajing Vegetable Garden in 2012, the community vegetable garden was established from 2014 to 2022 with a proportion of 100%, including Shining Yuchuan, Shining Jing'an, Shining Jinglang, Shining Chunyong, Shining Left Bank, Shining Shanhaihui, Shining Tianyun, Shining Chunzhen, and Shining Yuanding.

### Shining Planning Aerial Organic Farm

#### Realizing urban pastoral dreams

Every inch of land, every inch of gold, every breath of urban forest

Community residents happily share farm achievements

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### Happy Farm Series

Shining builds a community farm and plans one acre of land in an elevated manner to facilitate residents to plant, so that residents can grow vegetables and eat the vegetables they grow, which also makes life more secure. Shining will invite relevant experts to provide planting guidance, so that residents can grow vegetables and eat them. Customers know how to plant. Allowing community residents to grow vegetables and fruits themselves can increase neighbor interaction. Organic planting can also be used as dishes, and teaching on organic planting is provided. In the future, we hope to increase planning for the quality of food and air. In 2020, we began to experience the impact of the new coronavirus. During the epidemic, residents reduced the number of outings in response to epidemic prevention, which improved the space utilization of their balconies and rooftops. Many residents used their spare time to plant plants on their balconies and applied to the community to use the rooftop sky gardens. Or garden planting, everyone shares the results of growing fruits and vegetables with each other, and exchanges experiences.



### Driving the thinking of sky gardens of Shining

Many people lament that urban life is too smelly of cement, that people are too defensive, and that interpersonal relationships are alienated. However, such complaints are rarely heard in Shining communities because with the sky garden, neighbors have more common topics to discuss. , like what vegetables are easier to grow? What should I do if there are worms? How to prevent birds from eating unripe fruits and vegetables? There are even parents who live in the countryside. Because of this small organic farm, they have a sense of belonging. They come to the north to live with their children more often. In addition to eating more safely and healthily, it also builds community cohesion. , residents all find it pleasant to live there.

## | Green Design |

In 2022, the goal of Shining will continue to be green design, ecology, energy conservation, waste reduction, and healthy buildings. Each stage of construction will achieve environmental friendliness and effective use of resources, and sustainable materials will be used as much as possible. The goal is to strike a balance between artificial buildings and the natural environment, reduce the load and impact on the earth's resources and environment, create a healthy and comfortable living environment, and integrate with the surrounding natural environment.

In addition, we have also incorporated a full age design to serve the homes of the elderly, middle-aged, and young generations, and to think about its interface and technological application based on human lifestyle and psychological aspects. By taking care of the intangible, it runs through the design of public facilities and atrium landscapes, not only satisfying spatial functionality and barrier free safety, but also providing residents with social and emotional connections at the psychological level, thus focusing more on self-realization in life.

For example, in 2021, the Shining Yuanding, which was first built in Yuanlin, Changhua County, south of Taichung, has a construction site area of 1455 square meters with a designed coverage rate of 40.02%. A total of 873 square meters of vacant land have been left, of which 500 square meters are fully open to neighboring residents for public use, with 75 trees and 6237 shrubs planted on it. In various construction methods and details, we adhere to the industry's high standards, using deep excavation continuous wall construction methods, 1312 geological improvement piles, and a seven level seismic resistant structure. We use "three safety processes" to strengthen the safety of residential structures and improve living quality. At the same time, to meet the trend of the times, we have advanced the layout of electric vehicle charging mechanisms and built solar photovoltaic panels, creating a green energy technology and environmentally friendly and healthy home. In 2022, the Shining Yuanding was awarded the 24th National Architecture Gold Award, the most authoritative architectural award in Taiwan.



The rooftop of Shining Yuanding, planning of solar panels aims to achieve energy conservation, carbon reduction, and shading functions, enhancing the available space on the residential rooftop. It is expected to install 132 330 watts solar panels with a total installed capacity of 43.56 kilowatts. It is estimated that 58800 kilowatts of electricity can be generated annually (equivalent to 16 households), which can further reduce resource waste during the operation and use of community public facilities.



The plan is to open up a recreational space called "Yuanlin Garden" within the base to create a neighboring relationship and increase the green area.

## 《Environment Sustainability》

### Environment Policies of Shining

Compliance with relevant laws and regulations	Prevention is better than cure
<ul style="list-style-type: none"> <li>■ Comply with government environmental protection, safety and relevant laws, regulations and company operation standards.</li> <li>■ Under the quality conditions, all emissions must comply with the regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>■ Adopt appropriate construction methods and pollution prevention equipment.</li> </ul>
Recycle and make good use of resources	Continuous improvement
<ul style="list-style-type: none"> <li>■ Use recyclable auxiliary construction, pollution prevention and other equipment.</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuously improve the construction method, improve waste reduction and reduce pollution.</li> <li>■ Continuously implement resource recovery and pollution prevention measures to reduce the impact on the environment.</li> <li>■ Ongoing implementation of the environmental management system.</li> </ul>

### Environmental protection expenditure for construction projects in 2022 of Shining

Amounts in New Taiwan Dollars

Expenditure Items / Site	Waste Clearing and Transportation	Air Pollution Control Fees	Fence Greening	Cleaning of Surrounding Environment and Drainage Ditch of Adjacent Buildings and Work Areas	Water and Soil Conservation Plan / Runoff Wastewater Pollution Reduction Plan	Neighbor Security	Total
<b>Remain Your Heart</b>	4,714,590	331,110	275,100	202800	32000	1,272,000	6,827,600
<b>Lalu Yuan Ding</b>	0	340,366	0	160000	20000	1176000	1,696,366

Note: Accumulated since obtaining the construction license

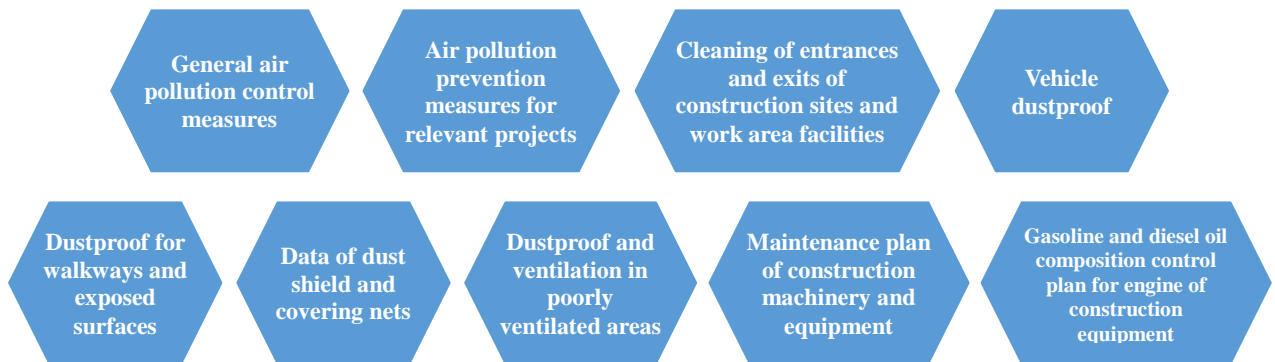


## Construction Site Pollution Prevention and Control

During the construction of projects for Shining, the impact of construction projects on the environment was strictly controlled in accordance with relevant environmental protection laws and regulations, and an environmental management plan was prepared to manage air, water, noise, waste and other pollution, and to practice pollution prevention and quality management. The construction site shall hold a meeting before the new manufacturers enter the site for construction, to publicize the Company's environmental protection concept and practice and the standard operating procedures (SOP). The agreement organization meeting shall be held on a regular basis every month, the participating units include the owners and third-party manufacturers to jointly review the utilization of energy and resources and the effectiveness of pollution prevention and control, and discuss the improvement plan, so that the Company's colleagues, third-party manufacturers and their staff can understand the main methods and relevant regulations of environmental protection. In 2022, there will be no cases and penalties against environmental laws and regulations in terms of site pollution prevention.

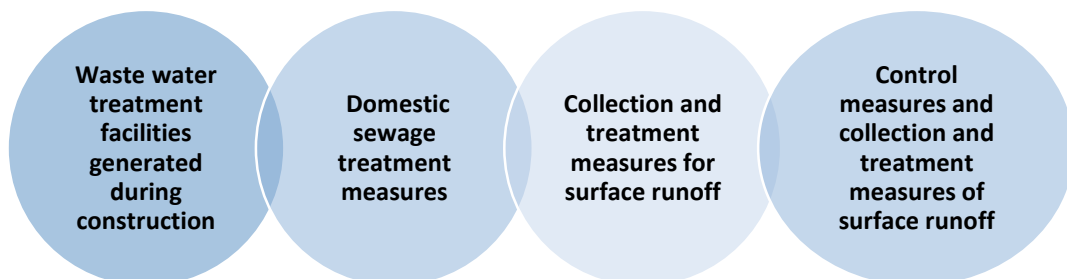
### | Air Pollution Prevention and Control |

In accordance with the Air Pollution Control Act, Air Pollution Control Act Enforcement Rules, the Emergency Prevention Measures for Serious Deterioration of Air Pollution, the Air Quality Standards, and Regulations Governing the Collection of Air Pollution Control Fee, Shining has formulated nine preventive measures to strictly control the possible air pollution at the construction site.



### | Water Pollution Prevention and Control |

The water pollution prevention and control measures for construction site shall be implemented in accordance with the Water Pollution Control Act, Water Pollution Control Act Enforcement Rules, Effluent Standards, and Industrial Water Pollution Control Measure Management Regulations, Shining has formulated four major treatment policies to ensure the prevention and control of water pollution at the construction site.



### | Noise and Vibration Control |

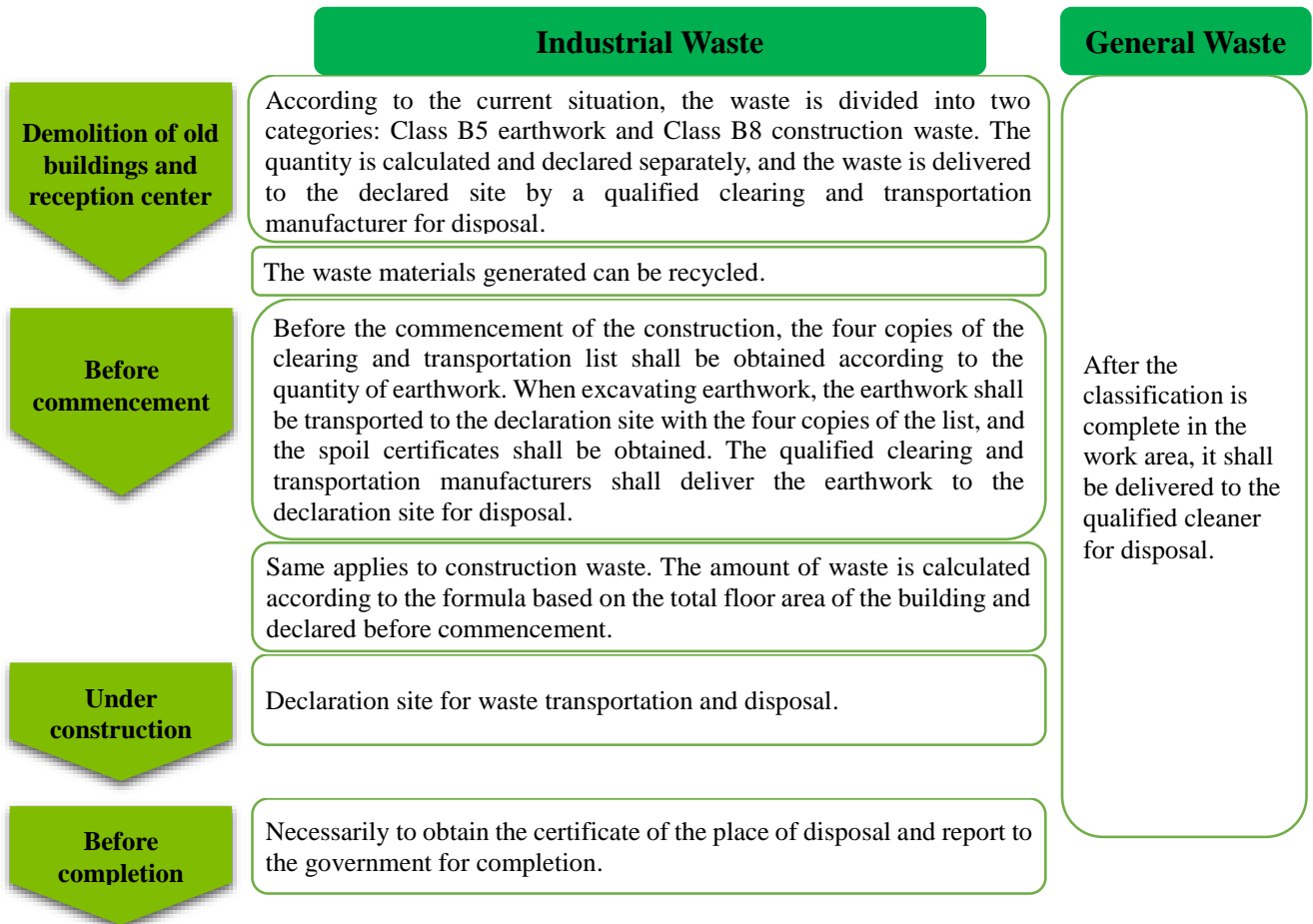
During the construction project on the construction site, more noise is likely to be caused due to business needs. In order to protect the rights and interests of residents around the area where the project is located, Shining strictly follows the relevant laws and regulations, such as the Noise Control Act, Noise Control Act Enforcement Rules, Amendment to Noise Control Standards, the Measures for Setting and Operating Permits of Noise Prone Facilities, and Amendment to Environmental Volume Standards. Shining follows the volume control standards and formulates two control measures to control noise and vibration.



### | Waste Disposal |

Construction waste, including general waste and engineering waste, will be generated during the development of Shining's construction projects. According to relevant laws and regulations and announcements: Waste Disposal Act, Waste Disposal Act Enforcement Rules, Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste, Shining will be completely classified in the work area and then delivered to qualified clearing and transportation manufacturers for transportation to the declared site for disposal. The detailed classification is as follows:

#### Construction Site Waste Disposal Method of Shining



### Total waste statistics of Shining

	2020	2021	2022
<b>General Waste</b>	158	87.5	122.1
<b>Industrial Waste</b>	4,110	5,226	3,843
<b>Total (mt)</b>	4,268	5,313.5	3,965.1

### Types of construction waste of Shining

Types		New and demolished waste projects
<b>General Waste</b>	Waste Wood	Residual materials for window frame, decoration and on-site woodworking.
	Paper	Cement bag, wrapping paper, wallpaper.
	Others	Domestic waste generated from the office of the engineering office.
<b>Engineering Waste</b>	Sludge	Mud, excavation mud.
	Metal Waste	Waste materials such as components, frames, abandoned wires and lighting.
	Building Rubble	Broken stones such as sand, stone, brick and concrete.
	Waste Plastic	Obsolete materials for decoration, piping and construction.

### | Good Neighborliness at the Construction Site |

In order to properly take care of the neighbors around the construction project, Shining strictly requires and controls the impact of construction on the surrounding environment. Taiyu Construction not only abides by laws and regulations in the construction process, but also makes further construction site pollution prevention and management for the neighbors. The relevant actions are as follows:




- The construction site shall be watered frequently to keep the ground wet and reduce the concentration of particulate pollutants in the air generated by construction activities.
- Carry out the cleaning and maintenance around the work area and the cleaning of vehicles leaving the work area to maintain the cleanliness of vehicles and the greening of the environment.
- The road shall be paved in sections according to the progress of the project to keep the tires of the incoming and outgoing vehicles clean, reduce the soil carried by the tires to pollute the main road surface, and reduce the dust raised when driving on the exposed surface.
- Do a good job of site management at any time, such as centralized management of building materials, tools, machines and tools, and strengthen the management of construction site sanitation, so as to reduce the mess on the construction site.
- Regularly inspect the road surface and drainage ditch adjacent to the work area. If there is any damage to the road surface and siltation of the drainage road, take the initiative to repair or dredge.



## Climate Change Risk Identification and Response Measures

Related Issues of Climate Change	Risk / Opportunity	Response Measures
<b>Global Warming</b>	Climate change risks caused by greenhouse gas emissions.	<ul style="list-style-type: none"> <li>Improve energy efficiency, reduce greenhouse gas emissions, and set annual carbon emission reduction targets.</li> <li>Promote various greenhouse gas reduction measures to achieve the target value of carbon emission reduction.</li> </ul>
<b>Extreme Climate – Severe temperature change (increase of extreme high temperature days)</b>	Risk of power energy shortage.	<ul style="list-style-type: none"> <li>Set power saving goals.</li> <li>Promote various energy-saving measures and educate all employees on energy-saving concept.</li> </ul>
<b>Climate Change – Long-term drought caused by changes in rainfall patterns</b>	Risk of water shortage.	<ul style="list-style-type: none"> <li>Gardening irrigation with rainwater recovery system.</li> <li>Water saving devices and other equipment have been built.</li> <li>Educate employees to use water correctly.</li> </ul>
<b>Strong Climate – Typhoon, heavy rain</b>	Typhoon, heavy rain flood risk.	<ul style="list-style-type: none"> <li>A dredging system has been built to avoid property loss due to severe weather.</li> </ul>
<b>Risk Prevention</b>	Be prepared for danger in times of peace and strengthen operational flexibility.	<ul style="list-style-type: none"> <li>Formulate emergency response measures to avoid operational impact caused by climate events.</li> </ul>
<b>Environment Education</b>	Promote the concept that everyone is responsible for loving the earth and internalize the awareness of environmental sustainability.	<ul style="list-style-type: none"> <li>Through the environmental issues of climate change, we deeply cultivate the concept of environmental education for all employees, construct various concepts of environmental sustainability and energy conservation, and drive all employees to respond to various policies as measures to achieve the goals.</li> </ul>

## Energy and Resource Management

Office power consumption, greenhouse gas emissions and water consumption of Shining				
Electricity	Items	Year		
		2020	2021	2022
	Taichung Office (degree)	346,494	350,805	344,148
	Taipei Office (degree)	121,998	112,948	106,600
	Total (degree)	468,492	463,753	450,748
	Electricity Intensity (degree/person)	3,253.42	3,112.44	3,108.61
Greenhouse Gas	Items	Year		
		2020	2021	2022
	Taichung Office (mt)	173.94	176.10	175.17
	Taipei Office (mt)	61.24	56.70	54.26
	Total (mt)	235.18	232.8	229.43
	Carbon Emission per-capita (mt/person)	1.63	1.56	1.58
Water	Items	Year		
		2020	2021	2022
	Taichung Office (cubic meter)	3,052	2,819	2,572
	Taipei Office (cubic meter)	968	470	467
	Total (cubic meter)	4,020	3,289	3,039
	Water Intensity (cubic meter/person)	27.92	22.07	20.95



## | Quantitative Management of Energy Conservation and Carbon Reduction |

### Target value of greenhouse gas carbon emission reduction

In order to understand the carbon emissions caused by the operation process, we continue to carry out greenhouse gas inventory against the Taipei & Taichung office and make statistics on the indirect greenhouse gas emissions generated by electricity. In 2022, the total greenhouse gas emissions of Taipei & Taichung office will be 229.43 metric tons of CO<sub>2</sub>e, which will decrease by 2.8% compared with 2021 due to all employees adhering to energy-saving policies. In view of the fact that the sustainability of energy resources is an important global and domestic issue, in response to the national energy management reduction policy, Shining expects that the annual carbon emissions per capita will be reduced by more than 1% compared with the previous year, that is, the annual carbon emissions per capita will be reduced by about 15.82% (kg CO<sub>2</sub>e/person) °

### Target value of water resource use reduction management

The stabilization of water supply in response to climate change has become a problem facing all countries in the world! In order to fulfill the social and corporate responsibilities and address the global water shortage issues, Shining will reduce the overall water intensity (total water consumption / number of employees) by 4% by 2028, taking 2018 as the base year. Shining has also fully promoted all colleagues to contribute to the office area, pay attention to the use of energy resources, and the General Affairs Department will act as the main responsible department to formulate management measures for the power and water management of the building.

## | Environmental Protection Management Strategy |

In view of the fact that the sustainability of energy and resources is an important issue both globally and domestically, Shining urged all colleagues to contribute to the office area, pay attention to the use of energy resources, and the General Affairs Department is the main responsible department to formulate management measures for the power and water management of the building.

#### Electricity Saving Measures:

1. Air-conditioning temperature is controlled and kept from leaking.
2. Use energy-saving LED lamps; light switches are built in each area. Advocate turning off the power switch at will to reduce energy waste. Induction lights in public areas.
3. Advocate to take more stairs and less elevators to reduce energy waste.
4. The office building of Taipei Branch is surrounded by pools, which can adjust the surrounding temperature.
5. Maintain and improve the adequacy of equipment to reduce energy consumption.



#### Water Saving Measures:

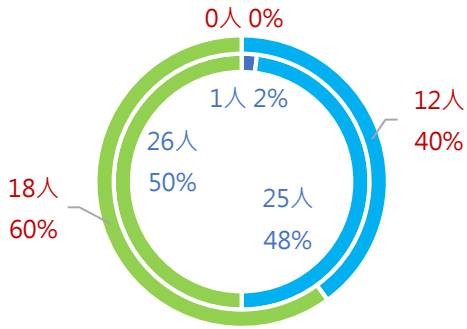
1. Select equipment with provincial water standard seal.
2. Inductive water-saving faucet is adopted.
3. Regularly check and review the water consumption, and immediately report and handle any abnormal situation.



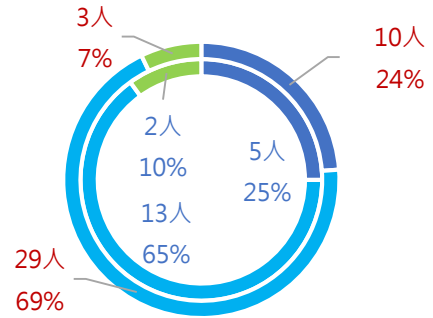
# 《Society Sustainability》

## Status of Human Resources

Management Position of 2022



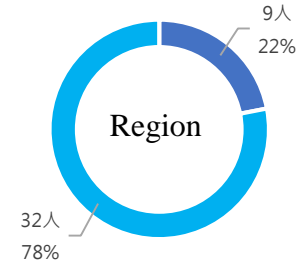
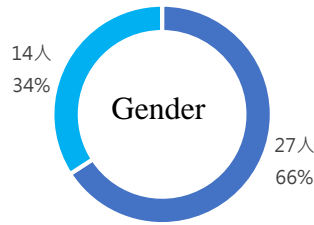
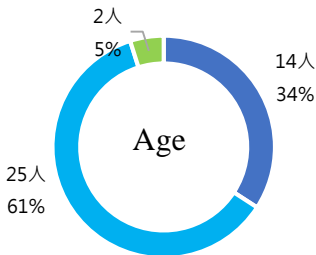
Non-management Position of 2022



■ 30歲(含)以下 ■ 31歲-50歲 ■ 51歲(含)以上

■ 30歲(含)以下 ■ 31歲-50歲 ■ 51歲(含)以上

New Employee of 2022

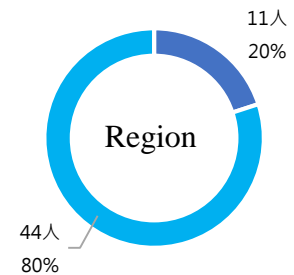
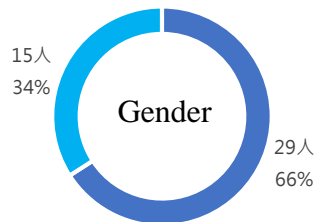
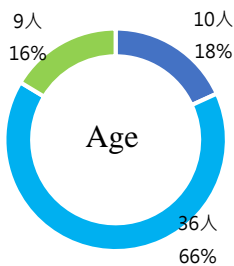


■ 30歲(含)以下 ■ 31歲-50歲 ■ 51歲(含)以上

■ 男 ■ 女

■ 台北 ■ 台中

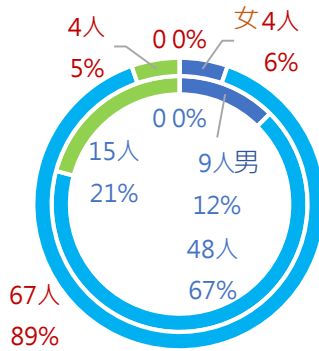
Resigned Employee of 2022



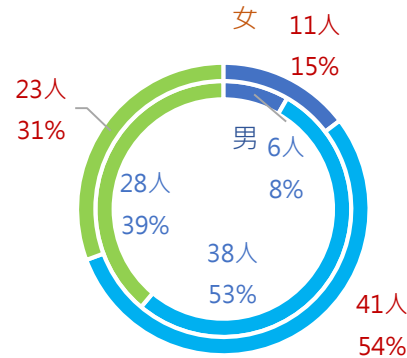
■ 30歲(含)以下 ■ 31歲-50歲 ■ 51歲(含)以上

■ 男 ■ 女

■ 台北 ■ 台中

**Education Structure of 2022**


■ 高中職以下 ■ 大專 ■ 碩士 ■ 博士

**Nationality Employees of 2021**


■ 30歲(含)以下 ■ 31歲-50歲 ■ 51歲(含)以上

## Remuneration and Benefits

Average Salary of Non-supervisory Employees in Recent Three Years			
Year	2020	2021	2022
Total salary of non-supervisor full-time employees (A)	98,364,314	102,517,905	96,614,399
Number of non-supervisory full-time employees (B)	152	145	143
Non-supervisor full-time employees "Average Salary" (A/B)	647,134	707,020	675,625

Median Salary of Non-supervisory Employees in Recent Three Years			
Year	2020	2021	2022
Median Salary	542,710	607,937	616,760

Total Annual Salary for the Past Three Years			
Year	2020	2021	2022
Annual Total Salary Ratio	7.87	7.02	6.92
Annual Total Salary Compensation Change Rate	0.00	0.00	0.00

### 1. Employee Benefits

The Company's labor relations are harmonious. The employee welfare measures, further education, training, retirement system and their implementation, as well as the agreement between labor and management and the employee rights and interests protection measures are described below:

- (1) Employees enjoy labor insurance, health insurance, pension and business travel insurance.
- (2) Three section bonus, birthday gift, house purchase celebration gift, maternity allowance.

- (3) Regular employee tourism every year (cancelled due to epidemic situation in 2022).
- (4) Regular employee health examination every year.
- (5) Organize employee recreational activities, such as year-end party, dinner party or other recreational and self-improvement activities.
- (6) Operation of marriage and funeral subsidies and Employee Welfare Committee.

## 2. Parental Stay Rate

	Male	Female	Total
Number of applicants for parental leave	0	2	2
Number of employee who should be reinstated on parental leave (A)	0	2	2
Actual number of employee returning to work after parental leave (B)	0	1	1
Reinstatement rate (B / A)	0%	50%	
Number of employee returning to work on parental leave in 2021 (C)	0	1	1
Number of employee who returned to work on parental leave in 2021 and have worked for one year in 2022 (D)	0	1	1
Retention rate (D / C)	0%	100%	

## 3. Employee Welfare Committee

### Employee Welfare Committee Expenditure from 2020 to 2021

Amount in New Taiwan Dollars

Items	2020	2021	2022
<b>Birthday Gift</b>	104,340	95,040	101,800
<b>Tourism Subsidiaries</b>	-	-	-
<b>(Number of dependents included)</b>	-	-	-
<b>Health Examination</b>	42,100	24,600	44,300
<b>Festival Bonus</b>	1,380,000	1,378,500	1,389,000
<b>Wedding and Funeral Welfare</b>	107,500	40,900	60,300
<b>Others</b>	133,500	97,450	25,250
<b>Total</b>	1,767,440	1,636,490	1,620,650

## 4. Retirement System

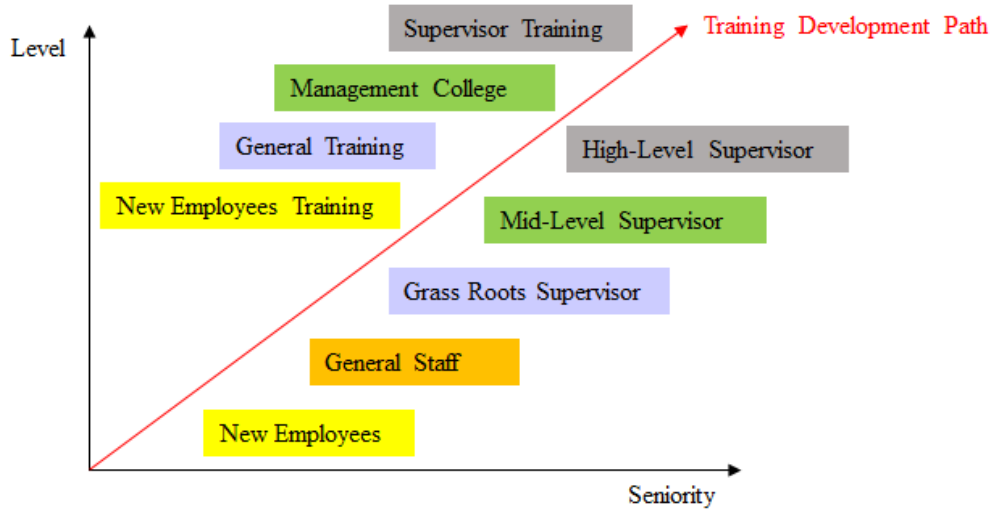
The Company's retirement reserves allocated in accordance with the law and the monthly employee pension are deposited in the special personal account for employee pension established by the Labor Insurance Bureau. In accordance with the Labor Standards Act and the Labor Pension Act, the Company provides pension allocation and payment. In addition to the statutory provisions, the Company regularly confirms the full allocation every year to protect the right of colleagues to claim pension in the future.

Under the old system of employees' retirement, no less than 2% of the pension reserve was allocated according to the law. In addition, according to the Labor Pension Act, the Company allocated 6% of the monthly salary of employees to the labor pension personal account established by the Labor Insurance Bureau. In 2022, about NT\$14,650 thousands will be appropriated and deposited in the special account of the Labor Insurance Bureau.



# Talent Cultivation and Development

Diagram of Education and Training System



**Statistics of Staff Education and Training Course Content and Hours in 2022**

Units in Hours

	Male			Female		
	Training Hours	Person-Times	Average Training Hours	Training Hours	Person-Times	Average Training Hours
Management	2598.8	177	14.7	2284.0	156	14.6
Non-Management	784.8	55	14.3	724.8	60	12.1
Total	3383.6	232	14.6	3008.8	216	13.9

To construct a training plan for important management successors, relevant courses such as leadership, team motivation, communication and reporting, meeting management, task allocation, team organization, and training of subordinates have been completed by the end of 2022, and advanced training has been continuously planned to meet organizational needs.

**Shining Group 【Management College】 Activity Photo**



## Secure Environment

**Occupational Injuries and Injury Rates in 2022**

Shining	Occupational Injuries		Lost Working Days	Lost Working Hours	Total Days of Absence
	Injured	Death			
Female	0	0	12	96	12
Male	0	0	0	0	0
<b>Total</b>	0	0	0	0	0

**Number of Occupational Disease Cases in 2022**

Shining	Occupational Disease		
	Injured	Death	Main Types
Female	0	0	-
Male	0	0	-
<b>Total</b>	0	0	-

### Safety and Security

To maintain the physical health of employees, on September 28, 2022, Shining held a health check for employees and provided professional consultation from physicians to address concerns about the workplace or personal health and safety of colleagues; The office is always equipped with medical kits, masks, alcohol and other items, and if necessary, provides staff with first aid and protection. All employees also provide group insurance and travel safety insurance in addition to labor and health insurance.



### Prevention Measures in Response to COVID-19 Pandemic

During the COVID-19 pandemic in 2022, the company has implemented stricter epidemic prevention measures. In addition to strengthening the promotion of epidemic prevention concepts, encouraging colleagues to download the Taiwan Social Distancing App, timely caring about the health status of employees, and indeed ensuring the health of employees, creating a secure workplace!

The measures for epidemic prevention in rural forests are as follows:

1. Employees, customers, and manufacturers who walk or enter the office through the driveway must wear masks, and first go to the first floor counter to disinfect their hands with 75% alcohol and measure their forehead temperature (those who exceed 37.5 degrees are not allowed to enter the company); Visitors are required to leave relevant records at the counter for future inspections.
2. Clean and disinfect once in the morning and once in the afternoon on weekdays, including related equipment such as toilets, meeting rooms, elevators, etc. At other times, please work together to maintain the environment and air cleanliness.
3. Each department promotes epidemic prevention for external manufacturers and visitors.
4. Each colleague is required to wear a mask in accordance with the company policy during the meeting.
5. Strengthen advocacy for tenants and employees, and advocate using stairs for operations on low floors.

Relevant Measures Implemented in Response to the Epidemic	Content Description
<b>Vaccination Leave</b>	Starting from 2021, 2 days of vaccination leave can be given on the day of vaccination and the next day, with half salary and full attendance not deducted.
<b>Anti-epidemic Care Leave</b>	Starting from 2021, if the application conditions are met, workers can apply for epidemic prevention and care leave, and employers do not need to pay wages or deduct full attendance.
<b>Subsidy for Quick Screening</b>	Starting from May 2022, independent quick screening will be conducted once a week and the company will subsidize the cost of quick screening reagents to monitor the health status of all company personnel and their cohabiting relatives and friends.
<b>Improve the Quality of Video Conferencing</b>	<ol style="list-style-type: none"> <li>1. In 2021, the company implemented the construction of remote video conferencing equipment in response to the epidemic. In 2022, due to corporate strategy adjustments, the connection locations will be adjusted to 3 regions in Taiwan (Taichung, Taipei, Sun Moon Lake), 3 regions in China (Qingdao, Nanjing, Chengdu), etc.</li> <li>2. Even if the threat of the epidemic slows down after 2022, the company's dependence on video equipment will continue to increase. In order to make video conferencing more stable, the SD-WAN architecture is being planned with manufacturers, which is expected to reduce sudden connection failures caused by environmental factors.</li> <li>3. 12 courses will be held for a period of 1 year, with each session lasting 3 hours. Remote video courses will be taught at the Shining Management College, with a focus on thematic courses.</li> <li>4. This video conferencing equipment has a total investment of NT\$ 1.75 million in software and hardware, and a network dedicated line of NT\$ 42,000 per month. After adjusting the enterprise strategy, the cost of the network dedicated line has been changed to NT\$ 34,000 per month.</li> </ol>
<b>Remote Connection for Working from Home</b>	The company currently has remote office networking software and hardware devices available for operation. In response to the epidemic, the remote office networking operation plan can only be implemented after approval by the company.

## Social Communion

Shining actively invests in social care, co runs various education and social feedback programs with the public welfare group, integrates the Group's strength to create a happy and communion society, and hopes to contribute to the society and strengthen the positive connection between society and economy.

According to the needs of the community, Shining helps to plan and organize community activities, such as Chinese New Year, c, Mother's Day, Dragon Boat Festival, Mid-Autumn Festival, Christmas and other activities, so as to enhance fellowship and improve the living standard of the community and give back to the quality of social housing life.

We also actively operate the network platform, including Facebook and LINE, to release irregular activities and related information, to be closer to the voice of fans and community residents through interaction, and to enhance the goodwill and satisfaction.

### 鄉林 FACEBOOK

來源：官方Facebook



### 鄉林 LINE

來源：官方Line






### Amazing Online Marketing Activities in 2022

Active Item	Activity Description	
Mother's Day Lucky Draw	Share your words of gratitude to your mother with us, like the post on the Shining Construction Business fan page, like the post and tag your friends to participate in the lucky draw.	 <p>母愛在的地方，就是家。          謝謝您，母親節快樂！          4/13-5/8          豐富您的母親節</p>
Dragon Boat Festival Lucky Draw	Share your wonderful memories of the Dragon Boat Festival in the Facebook message area, like the Shining Construction Business fan page, like the post and share with your friends to have a chance to win gifts.	 <p>御林          2022端午節活動</p>

### Public Welfare Activities in 2022

Active Item	Activity Description	
<b>Residential Safety Expo in 2022</b>	Time: 2022/7/8-2022/7/10 Location: Taipei Yuanshan Flower Museum	Number of participants in activities: 800 Invested Amount: NT\$ 200 thousand
	<p>Shining Construction Business responds to the issue of government housing justice and safety, and particularly participates in the "Residential Safety Expo in 2022" guided by the Ministry of the Interior of the Republic of China and organized by the Business Times. This event brings together the attention of all sectors to ensuring a safe home, focusing on five aspects, including smart housing, more dangerous urban areas, building safety, silver haired housing, and transaction safety. It provides the latest information and consulting services for people in need, During this period, there were multiple symposiums and peak forums, allowing the public to access more trend analysis and market information from experts and scholars.</p> <p>Through this large-scale exhibition, Shining conveyed the enterprise vision of the Shining brand, the official residence of Shining Shilin Headquarter, the construction plan of Shining Yuchuan, and the blueprint of Shining urban renewal. The exhibition also provided on-site participants with interactive tickets, and received likes on Shining Shanhaihui Facebook to win the Lalu Hotel accommodation voucher and afternoon tea voucher lottery.</p>	

Active Item	Activity Description	
		
<p><b>Taiwan Medical Technology Exhibition in 2022</b></p>	<p>Time: 2022/12/1-2022/12/4 Location: 4F, Nangang Exhibition Hall 1</p>	<p>Number of participants in activities: 2,000 Invested Amount: NT\$ 200 thousand</p>
	<p>In response to Taipei City's Shilin Regeneration Blueprint Plan, Shilin is the most complete medical cluster in northern Taiwan, with Taipei Veterans General Hospital, Chen Hsing Hospital, Hexin Hospital, National Yang-Ming Chiao Tung University, etc., and the township construction plan is promoted The "Top Medical Innovation Park" is stationed in the official residence of Shilin Headquarter of Shining, and radiates out with Shilin as the leader. It is very helpful for the development of more medical resources and the integration of innovative medical cluster.</p> <p>Shining Construction Business specially participated in the "Taiwan Medical Technology Exhibition in 2022". This event is hosted by the National Biotechnology and Medical Industry Promotion Association, the Ministry of Health and Welfare, the Council of Agriculture of the Executive Yuan, the Taipei City Government and other units to connect the precision health industry ecosystem. Focusing on the three major goals of smart medical care, precision medicine, and health for all ages, Shining Construction Business introduced the planning of the "Shining Shilin Headquarter Top Medical Park" during the exhibition, and invited participants to participate in the Lalu Hotel afternoon tea coupons, Lalu Hotel Lucky draw chance for tea bamboo cup gift box.</p> 	

# 《Governance Sustainability》

## | Board of Directors |

### Composition of the Board of Directors (Tenure: From June 24, 2022 to June 24, 2025)

The Company has seven directors, including three independent directors, who have more than five years of work experience in business, legal, finance, accounting or corporate business. On June 24, 2022, when the term of office of the directors and supervisors of the Annual General Meeting expired, all 7 directors were re-elected and continue to provide valuable academic and practical opinions on the management of Shining.

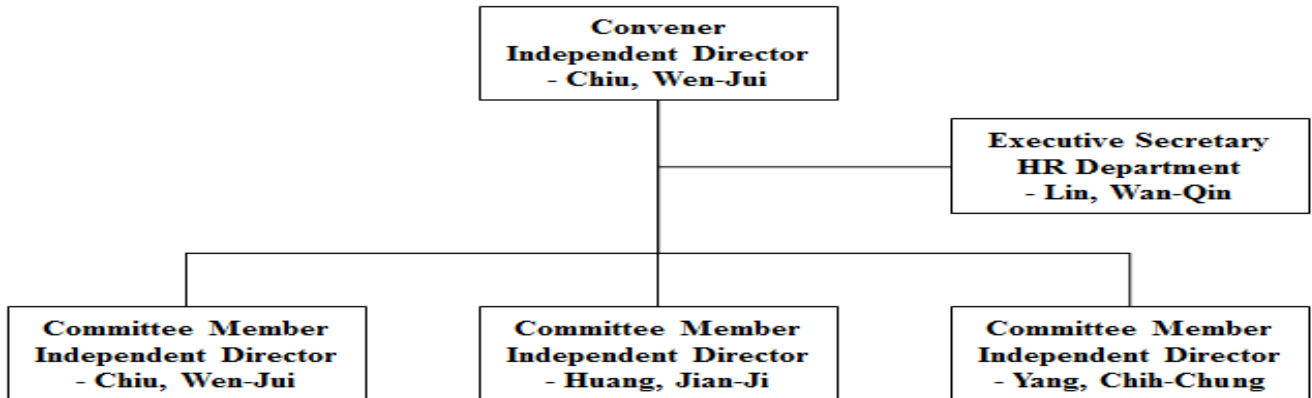
	Title	Name	Selected Education & Past Positions	Selected Current Positions
1	Chairman	Ding Lin Investment & Development Co., Ltd. Representative: Lai, Cheng-I	Department of Electrical Engineering, Southern Taiwan University of Science and Technology, General Chamber of Commerce of the Republic of China - President, Taiwan Tourist Hotel Association - President, International Real Estate Development Association of Taiwan - President, Council of Industrial & Commercial Development - Honorary President, Construction and Development Association of Taiwan Province - President, Tai Chung City Chamber of Commerce - President.	Shining Building Business Co., Ltd. - Chairman,  Ding Lin Investment & Development Co., Ltd. - Chairman,  Lalu Hotel Co., Ltd. - Chairman,  Guang Yu Investment & Development Co., Ltd. - Chairman,  Quan Yang Investment Co., Ltd. - Person In Charge,  Bai Huang Investment Co., Ltd. - Person In Charge,  Ding Lin International Enterprise Co., Ltd. - Chairman,  Shining Cultural and Educational Foundation - Chairman,  Shining Communication Co., Ltd. - Person In Charge,  Shining Housing Agency Co., Ltd. - Chairman.

2	Director	Ding Zheng Investment Co., Ltd. Representative: Chen, Shu-Fen	Economics Department, Soochow University.	Ding Zheng Investment Co., Ltd. - Chairman, Yi Yang Investment Co., Ltd. - Chairman.
3	Director	Zheng Kee Investment Co., Ltd. Representative: Chang, Ying-Yin	Fiber Engineering Department, National Taiwan University of Science and Technology.	Shining Building Business Co., Ltd. - Director of General, Administration Division Shining Hydropower Engineering Co., Ltd. - Person In Charge, Zheng Kee Investment Co., Ltd. - Chairman Li Jing Investment Co., Ltd. - Chairman, Billion Capital Holding Co., Ltd. - Person In Charge.
4	Director	Yi Yang Investment Co., Ltd. Representative: Lin, Ching-Feng	Agricultural Economics Department, National Chung Hsing University.	Fast Growth LTD - Person In Charge, Diamond Overseas Co, Ltd. - Person In Charge.
5	Independent Director	Chiu, Wen-Jui	Department of Electrical Engineering, Va Nung University, Chiang Shun Post Co., Ltd. - Vice Chairman.	IC Artis Co., Ltd. - Director.
6	Independent Director	Huang, Jian-Ji	PhD Department of Electrical Engineering, National Cheng Kung University,	Management Information Systems Department, Hung Kuang University - Dean & Associate Professor.
7	Independent Director	Yang, Chih-Chung	Master Degree Institute of Transportation, National Chiao Tung University.	Hubbard Administration Management Co., Ltd. - Person In Charge.

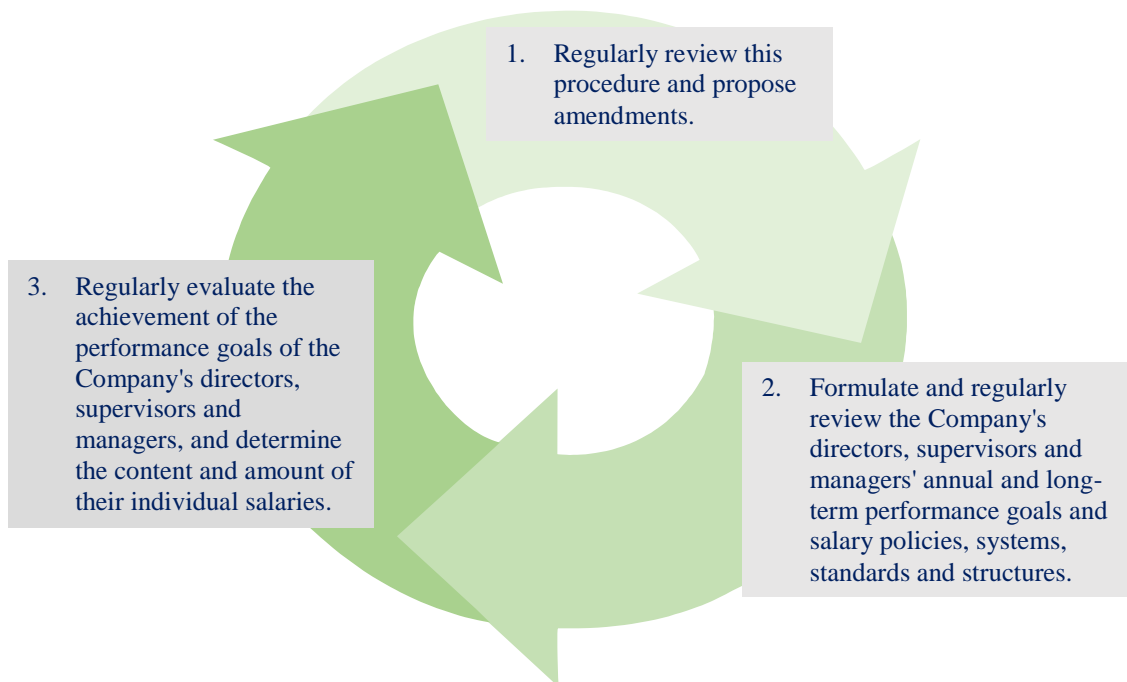
## | Remuneration Committee |

The Company established the Remuneration Committee on December 8. At present, there are three independent directors Chiu, Wen-Jui (convener), Huang, Jian-Ji and Yang, Chih-Chung, whose term of office is from June 24, 2022 to June 24, 2025.

Number of Member	Gender Ratio (Male : Female)	Number of Meetings in 2022	Actual Attendance
3	3 : 0	2	100%



The Remuneration Committee faithfully performs its functions and powers from the perspective of a good manager, and submits its suggestions to the Board of Directors for discussion. However, the proposal on the remuneration of supervisors shall be submitted to the Board of Directors for discussion, only if the remuneration of supervisors is prescribed in the articles of association or authorized by the shareholders' meeting to be handled by the board of directors. The main responsibilities are as follows:





## | Audit Committee |

The Company elected three independent directors through the Annual General Meeting and established the Audit Committee on June 25, 2019. Current members: Chiu, Wen-Jui (convener), Huang, Jian-Ji and Yang, Chih-Chung, three independent directors, with a term of office from June 24, 2022 to June 24, 2025.

Number of Member	Gender Ratio (Male : Female)	Number of Meetings in 2022	Actual Attendance
3	3 : 0	7	90.5%



## | Integrity Management Guidelines |

1. Bribery and receiving bribery.
2. Provide illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offer or accept unreasonable gifts, entertainment or other improper benefits.
5. Infringement of trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights.
6. Engaging in unfair competition.
7. Products and services directly or indirectly damage the rights, health and safety of consumers or other interested parties when they are researched and developed, purchased, manufactured, provided or sold.

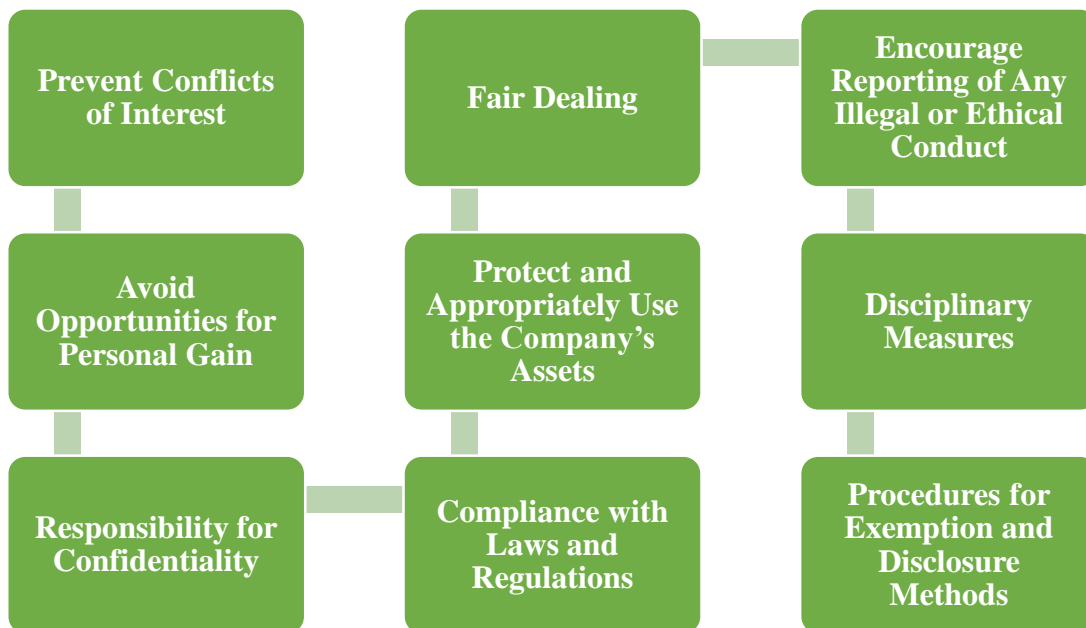
At a time when information flows rapidly and consumers and enterprises themselves pay more and more attention to information privacy and protection, Shining also proposed the corresponding "internal major information processing procedures", hoping to handle important information flows with more caution and attention. We also set up the Director, Spokesperson, Financial Supervisor and Accounting Supervisor of the Management Office as a dedicated unit to regularly check whether the internal business conditions are in accordance with the provisions of the operating procedures, and exercise the following rights and responsibilities:

**Responsibility of the Responsible Unit in Procedures for Handling Material Inside Information**



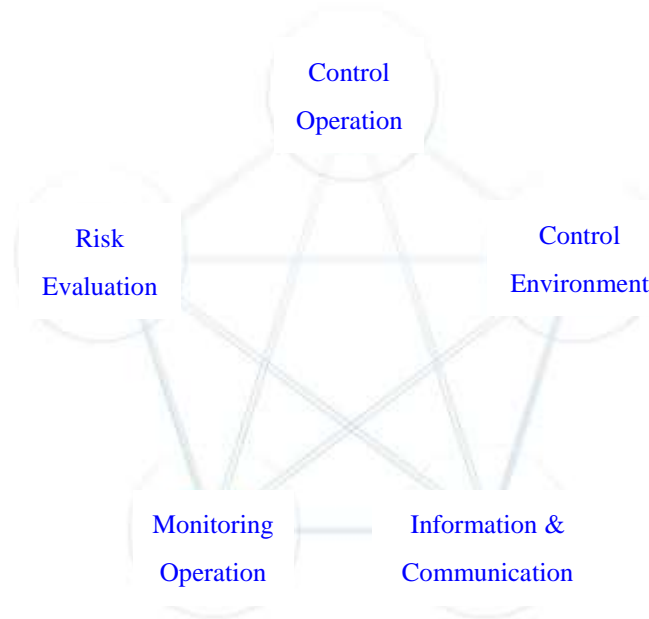
1. Responsibility for formulating the drafts of this Procedures and any amendments to them.
2. Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to this Procedures.
3. Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
4. Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to this Procedures.
5. Other activities related to this Procedures.

**| Standards of Ethical Conduct |**



## | Internal Audit Organization and Operation |

Shining has established an internal control system to ensure the achievement of the objectives of operating effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting, and compliance with relevant norms and relevant laws and regulations. The internal control system is divided into five components:



In accordance with the provisions of the "Regulations Governing Establishment of Internal Control Systems by Public Companies", and taking into account the overall operating activities of the Company and its subsidiaries, Shining designed and implemented an internal control system, and reviewed it at any time to respond to changes in the internal and external environment of the Company, so as to ensure that the design and implementation of the system is continuously effective, so as to achieve the purpose of the internal control system. The internal audit of Shining is an independent unit directly under the Board of Directors. In addition to the regular meeting report of the Board of Directors, it shall immediately report to the Audit Committee, the Chairman and the General Manager when necessary to implement the spirit of corporate governance.

The audit work is mainly carried out according to the audit plan approved by the Board of Directors. The audit plan is prepared based on the identified risks, and special audit or review is also carried out as necessary. Comprehensively implement the above general audit and special audit, provide the operation status of the internal control function of the management, and timely provide another channel for the management to understand the existing or potential lack of internal control. The internal auditors shall issue a written audit report and tracking report after the implementation of the audit plan, propose improvement plans, and regularly submit them to the Board of Directors for review, which shall serve as the basis for recommending that the Company issue an internal control statement. In 2022, the internal audit organization and operation were normal and smooth, and there was no major corruption in Shining.