

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON KUO TOONG INTERNATIONAL CO., LTD.'S GREENHOUSE GAS (GHG) STATEMENT

The Board of Directors and Stockholders
Kuo Toong International Co., Ltd.

We have undertaken a limited assurance engagement on Category 1: direct GHG emissions and Category 2: indirect GHG emissions from imported energy (hereinafter referred to as "Category 1 and Category 2") of the Emissions Inventory Report (hereinafter referred to as "GHG statement") of Kuo Toong International Co., Ltd. (hereinafter referred to as "the Company") for the year ended December 31, 2023, as detailed in Appendix 1.

The Company's Responsibility for the GHG Statement

The Company is responsible for the preparation of the GHG statement in accordance with "CNS 14064-1: 2021 Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals" (hereinafter referred to as "CNS 14064-1") issued by Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, Republic of China. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Limited assurance on Category 1 and Category 2

Our responsibility is to express a limited assurance conclusion on Category 1 and Category 2 of the GHG statement based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Standard on Assurance Engagement 3410 "Assurance Engagements on Greenhouse Gas Statements" ("TWSAE 3410"), issued by the Accounting Research and Development Foundation of the Republic of China. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with TWSAE 3410 involves assessing the suitability in the circumstances of the Company's use of CNS 14064-1 as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

1. Through inquiries, obtained an understanding of the Company's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
2. Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates.
3. Undertook site visits at one site to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's GHG statement has been prepared, in all material respects, in accordance with CNS 14064-1 applied to the GHG statement.

Limited Assurance Conclusion

Limited assurance on Category 1 and Category 2

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Category 1 and Category 2 of the Company's GHG statement for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with CNS 14064-1 applied to the GHG statement.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the limited assurance report is Chiu-Ling Wu.

Legendary & Steadfast Accountancy

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August 9, 2024

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of selected subject matter information shall prevail.

Appendix 1: Summary of Subject Matter Information

Reporting boundary of the GHG statement
1. Kaohsiung Headquarter of Kuo Toong International Co., Ltd.
2. Xinyuan Complex of Kuo Toong International Co., Ltd.
3. Kuo Yang Environment Technology Co., Ltd.

Emission category	Total emissions (Metric tons CO ₂ e)
Category 1: direct GHG emissions	2,628.3423
Category 2: indirect GHG emissions from imported energy	9,347.8817