



三集雅社

股票代號 2937

三集雅社

Stock Ticker 2937

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Printed on May 20, 2025

2024 Annual Report

I. Spokesperson and Deputy Spokesperson's Name, Title, Phone Number, and Email Address

Spokesperson: Ho Cheng-Feng

Title: Vice President of General Administration Division and Chief Financial Officer of Financial and Accounting Management Division

Tel: (07) 727-3128 ext. 260

Email: andy-ho@gseven.com.tw

Deputy Spokesperson: Shen Chih-Kai

Title: Chief Operating Officer of Operations Division

Tel: (07) 727-3128 ext. 880

Email: kenn-shen@gseven.com.tw

II. Addresses and Phone Numbers of the Head Office, Branches, and Factories

Head Office Address and Phone Number: 1 F., No. 265, Zhongzheng 1st Rd., Lingya Dist., Kaohsiung City, (07) 727-3128

Branch Addresses and Phone Number: The Company has no branches.

Factory Addresses and Phone Number: The Company has no factories.

III. Name, Address, Website, and Phone Number of the Stock Transfer Agency

Name: Stock Transfer Agency Department, First Securities Inc.

Address: 6 F., No. 27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City

Website: <https://www.firstsec.com.tw/>

Tel: (02) 2563-5711

IV. Names of CPAs, and Address, Website and Phone Number of the Accounting Firm for the Most Recent Year's Financial Reports

Names of CPAs: Liao A-Shen, Wang Chun-Kai

Name of Accounting Firm: PwC Taiwan

Address: 22 F., No. 95, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City

Website: <https://www.pwc.tw>

Tel: (07) 237-3116

V. Names of Overseas Securities Trading Markets and Methods to Access Information for Said Overseas Securities

None.

VI. Company Website

<https://www.gseven.com.tw/>

GSeven Co., Ltd.

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One. Letter to Shareholders

Dear Ladies and Gentlemen,

Looking back, the year 2024 saw the Company's management team and employees demonstrate unwavering dedication in overcoming challenges, resulting in substantial growth across the Company's primary distribution channels, including department store counters, e-commerce platforms, and retail stores.

The Company's consolidated revenue for 2024 was NT\$4,642,604 thousand, an increase of NT\$578,907 thousand compared to the consolidated revenue of NT\$4,063,697 thousand for the previous year. Net profit after tax was NT\$152,983 thousand, an increase of NT\$44,611 thousand compared to the net profit after tax of NT\$108,372 thousand for the previous year. The basic earnings per share after tax was NT\$3.86, growing by NT\$1.05 compared to the basic earnings per share after tax of NT\$2.81 for the previous year. The Company's 2024 consolidated operation results are reported below:

I. 2024 Operation Results

(I) Business Plan Implementation Results

Unit: NT\$1,000

Items	2024	2023	Amount of increase/decrease	Percentage of increase/decrease
Consolidated revenue	4,642,604	4,063,697	578,907	14.25%
Consolidated gross profit	1,073,277	987,716	85,561	8.66%
Net income before tax	192,115	142,845	49,270	34.49%
Net income after tax	152,983	108,372	44,611	41.16%
Basic earnings per share (NT\$)	3.86	2.81	1.05	37.37%

(II) Execution of Budget

The Company's consolidated operating revenue for 2024 was NT\$4,642,604 thousand, with a consolidated operating revenue budget of NT\$4,600,000 thousand, achieving an accomplishment rate of 100.93%.

(III) Analysis of Financial Income, Expenditure and Profitability

Items		2024	2023
Financial Structure	Debt to Asset Ratio (%)	69.77	69.78
	Long-term Capital to Property, Plant and Equipment Ratio (%)	163.19	180.49
Debt Servicing Capability	Current Ratio (%)	112.84	113.93
	Quick Ratio (%)	61.28	66.26
Profitability	Return on Assets (%)	4.95	3.82
	Return on Equity (%)	15.47	12.17
	Net Profit Margin (%)	3.30	2.67
	Earnings Per Share (NT\$)	3.86	2.81

II. Summary of 2025 Business Plan

GSeven Group Business Guidelines, Expected Sales Volume and Its Basis, and Significant Production and Sales Policies:

- (I) Collaborate with quality domestic chain stores and premium home appliance brands, leveraging the long-established reputation and customer trust of all three parties to continuously expand business locations and enlarge the overall service network.
- (II) Avoid focusing on a single system of chain stores, and develop various types of chain operators in a balanced manner to enhance the reach rate to potential audio-visual and home appliance customers across Taiwan.
- (III) Proactively expand street-front stores in key metropolitan areas to enhance immediate neighborhood service accessibility in various counties and cities, and increase the retail brand's visibility outside of shopping centers.
- (IV) While maintaining current high value-added and high-sales proportion product categories, continuously develop and introduce market trends and high-potential products, replacing single product sales with professionally planned services to meet consumers' one-stop shopping needs.
- (V) Issue membership points and implement individualized incentive programs for different membership tiers to deepen member services and ensure sustainable management of highly loyal members.
- (VI) Strengthen air conditioning and air handling product project planning capabilities, having already secured substantial installation market opportunities, thereby leveraging this to boost sales of other household appliances.
- (VII) In addition to large appliance display and sales, introduce diverse premium small home appliances to enhance the experiential richness of retail locations and increase customer dwell time, having already secured cross-selling opportunities.

III. Future Company Development Strategy

(I) Strengthening Company Competitiveness:

1. The Company maintains its channel advantages to secure strategic partnerships with suppliers, leveraging this advantage to grasp market dynamics and obtain exclusive products or priority display rights for new products from various suppliers.
2. Deepen and maintain long-term stable cooperative relationships with department stores while actively expanding business locations in other channels, securing new counters and exclusive brand or product management opportunities.
3. Increase remuneration for sales and administrative personnel to attract a quality workforce to the Company and build high-talent-density teams that can address the rapidly changing post-pandemic business environment through professional departmental specialization.
4. Categorize existing business locations for customized planning, from product selection to promotional activities, implementing differentiated marketing strategies for segmented markets to satisfy diverse market demands.
5. Collaborate with appliance brands on monthly rental programs to explore new opportunities among corporate clients, landlords, and newlyweds, leveraging existing performance base to achieve structural growth opportunities.

(II) Expand Differentiation:

1. Increase private label and exclusive products to enhance name recognition among consumers during purchase decisions.
2. The Company, in collaboration with department stores and credit card companies, offers consumers VIP privileges and reward points as triple benefits, while guaranteeing three major assurances in after-sales service and warranty protection through the coordination of the Company, original manufacturers, and department stores.
3. Sales locations incorporate premium audio systems costing millions, creating boutique-quality experience spaces, hosting audio appreciation seminars in various regions, and planning related promotional activities to support music industry performers, cultivating music literacy among company employees and domestic consumers to implement a positive cycle of music-led audio sales.
4. In response to the home appliance smart technology trend, integrating home appliance planner professional services, consolidating smart management functions of various home appliances, leveraging AIoT product capabilities to enhance customer after-sales satisfaction.
5. Actively developing products that can be combined with current home appliance sales categories, such as consumable daily necessities, health appliances, pet appliances, and other high-growth market items, to comprehensively serve consumers' daily home living needs.

IV. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

Facing the external competitive environment, the Company recognizes that healthy competition helps expand market scale and maintains a positive outlook on competition while simultaneously pursuing horizontal cooperation with both different and similar industries. To comply with net-zero emission policies, the Taiwanese government has established a series of regulatory guidance and continues to provide subsidies for energy-efficient home appliances. The Company actively complies with government regulations and expects to benefit from these policies by generating significant sales through the overall market replacement policy.

Due to continuously rising warehousing and logistics costs that have compressed overall profit margins, the Company has established short-chain logistics systems that can distribute warehousing needs across Taiwan. Through real-time electronic data interchange with logistics providers, we have improved operational efficiency and reduced waste, helping to mitigate the impact of rising costs and maintain stable profitability.

Regarding ESG, we are committed to being a responsible corporate citizen. We actively implement energy conservation and emission reduction measures in response to the government's net-zero emissions policy, contributing to societal energy conservation and carbon reduction through our high-efficiency products. In terms of social responsibility, we have strengthened community connections by providing reasonably priced products and quality services at our nationwide retail locations, further supporting community development. In addition, we continue to strengthen internal controls and risk management to ensure transparent and efficient corporate operations.

Chairman: Lu, Chien-San

Two. Corporate Governance Report

I. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

(I) Directors

1. Profiles of Directors

April 21, 2025; Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Inauguration)	Term of Office	Initial Appointment Date	Shares Held at Time of Election		Shares Currently Held		Shares Held by Spouse and Minor Children		Shares Held in Others' Names		Major Experience and Education	Current Positions Held at the Company and Other Companies	Other Directors, Supervisors, or Officers who are Spouses or Within the Second Degree of Kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations with Customs	
Chairman	Taiwan	Lu, Chien-San	Male Aged 56–60	June 15, 2022	3 Years	October 26, 1994	1,211,753	3.31	620,000	1.57	—	—	4,044,023	10.22	EMBA, College of Management, National Sun Yat-sen University Chairman, General Administration Division, GSeven Co., Ltd.	Supervisor, Chien Chun Co., Ltd. Supervisor, Ji Sheng Shi Co., Ltd.	—	—	—	—
Director	Taiwan	Su, Tsai-Chi	Male Aged 51–55	June 15, 2022	3 Years	June 27, 2007	321,183	0.88	354,390	0.89	—	—	—	—	EMBA, College of Management, National Sun Yat-sen University President, General Administration Division, GSeven Co., Ltd.	Chairman, GShare Co., Ltd. Supervisor, Yuanding Co., Ltd.	—	—	—	—
Director	Taiwan	Yu, Kun-Hsi	Male Aged 55–60	June 15, 2022	3 Years	November 11, 2011	1,668,094	4.55	965,094	2.44	—	—	—	—	Department of Electronic Engineering, Cheng Shiu University Vice President, General Administration Division, GSeven Co., Ltd	Chairman, Ji Yue Investment Co., Ltd.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (Inauguration)	Term of Office	Initial Appointment Date	Shares Held at Time of Election		Shares Currently Held		Shares Held by Spouse and Minor Children		Shares Held in Others' Names		Major Experience and Education	Current Positions Held at the Company and Other Companies	Other Directors, Supervisors, or Officers who are Spouses or Within the Second Degree of Kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations with Customs	
Institution Director	Taiwan	Ji Li Investment Co., Ltd.	—	June 16, 2023	2 Years	November 11, 2011	6,960,945	18.36	6,960,945	17.59	—	—	—	—	Investment companies	None	—	—	—	—
	Taiwan	Representative of Institutional Director Hsu, Liang-Chung	Male Aged 56-60	June 16, 2023	2 Years	—	—	—	100,495	0.25	2,230	0.01	—	—	Department of Electronics, Yung Ta Institute of Technology & Commerce Manager, Quality Assurance Department, Yudasun Co., Ltd.	None	—	—	—	
Independent Director	Taiwan	Chao, Chang-Ju	Male Aged 46-50	June 15, 2022	3 Years	June 16, 2020	—	—	—	—	—	—	—	—	Managing director, Gao Teng Accounting Firm Bachelor, Financial Management, National Kaohsiung First University of Science and Technology Master of Business Administration, National Kaohsiung University of Applied Sciences	Independent Director, Gongin Precision Industrial Co., Ltd.	—	—	—	—
Independent Director	Taiwan	Chen, Ya-Chuan	Female Aged 56-60	June 15, 2022	3 Years	February 26, 2016	—	—	—	—	—	—	—	—	Master of Law, National Chung Cheng University Shin Shi Law Firm	Shin Shi Law Firm Licensed Attorney	—	—	—	—
Independent Director	Taiwan	Lai, Hsin-Chung	Male Aged 46-50	June 15, 2022	3 Years	June 15, 2022	—	—	—	—	—	—	—	—	So Sian CPA & Co. Department of Accounting, National Taichung University of Science and Technology	Independent Director, WE & WIN DIVERSIFICATION Co., Ltd. ETERNAL PRECISION MECHANICS CO., LTD. Independent Director	—	—	—	—

Note: Instances where the company's Chairman and President or equivalent position (the highest-ranking executive) are the same person, spouses, or first-degree relatives: None

(1) Major shareholders of institutional shareholders

April 21, 2025

Institutional Shareholder Name	Major Shareholders of Institutional Shareholders
Ji Li Investment Co., Ltd. (Representative Hsu Liang-Chung)	Li Li-Nien Lu, Chien-San Lu Ching-Liang

(2) Major shareholders of major institutional shareholders

April 21, 2025

Name of Institution	Major Shareholders of the Institutional
No such matter	No such matter

2. Professional Qualifications of Directors and Independence Information of Independent Directors

Conditions Name	Professional Qualifications and Experience	Independence Status:	Number of Other Publicly Listed Companies Where Serving as Independent Director
Chairman Lu, Chien-San	Holds an Executive MBA from the College of Management, National Sun Yat-sen University. Currently serves as the Chairman of the General Administration Division of the Company, with work experience required for business, finance, and company operations. Possesses capabilities in operations management, crisis management, and risk management, with no conditions as described in any paragraphs of Article 30 of the Company Act.	<ol style="list-style-type: none"> Does not have a second-degree relative relationship with other directors or executives. There is no requirement under the Company Act to be elected as an institutional or its representative. 	0
Director Su, Tsai-Chi	Holds an Executive MBA from the College of Management, National Sun Yat-sen University. Previously served as the President of the General Administration Division of the Company, with work experience required for business, finance, and company operations. Possesses capabilities in operations management, crisis management, and risk management, with no conditions as described in any paragraphs of Article 30 of the Company Act.	<ol style="list-style-type: none"> Also serves as director of the Company's affiliated enterprise (100% owned subsidiary). Does not have a second-degree relative relationship with other directors or executives. There is no requirement under the Company Act to be elected as an institutional or its representative. 	0
Director Ji Li Investment Co., Ltd. Representative Hsu, Liang-Chung	Graduated from the Department of Electronics, Yung Ta Institute of Technology & Commerce, the individual previously served as Manager of the Quality Assurance Department at Yudasun Co., Ltd., possesses experience in business, finance and corporate operations, has capabilities in business management, crisis management and risk management, and has no circumstances described in the various items of Article 30 of the Company Act.	<ol style="list-style-type: none"> The top ten corporate shareholders of the company Does not have a second-degree relative relationship with other directors or executives. 	0
Director Yu, Kun-Hsi	Graduated from the Department of Electronic Engineering, Cheng Shiu University, the individual previously served as Vice President of the Company, possesses experience in business, finance and corporate operations, has capabilities in business management, crisis management and risk management, and has no circumstances described in the various items of Article 30 of the Company Act.	<ol style="list-style-type: none"> The top ten individual shareholders of the Company Does not have a second-degree relative relationship with other directors or executives. There is no requirement under the Company Act to be elected as an institutional or its representative. 	0
Independent Director Chen, Ya-Chuan	Graduated with a master's degree from the Graduate Institute of Law at National Chung Cheng University, currently practicing as an attorney at Shin Shi Law Firm, possesses professional qualifications through national examinations for judges, prosecutors, lawyers, accountants or other professional and technical personnel required for company operations, and has no circumstances described in the various items of Article 30 of the Company Act.	<ol style="list-style-type: none"> According to the provisions of the Company's Articles of Incorporation and Corporate Governance Best-Practice Principles, directors are elected through a candidate nomination system. During the nomination and selection of members of the board of directors, the Company has obtained written declarations, work experience, current employment certificates, and familial relationship statements from each director to verify and confirm the independence of the individual, their spouse, and their relatives 	0

Independent Director Chao, Chang-Ju	Graduated with a master's degree in Business Administration from National Kaohsiung University of Applied Sciences. Currently serves as the person in charge of Gao Teng Accounting Firm. Holds professional certifications as a judge, prosecutor, lawyer, or CPA through national examination, which meets the Company's business requirements. It has not been subject to any of the circumstances described in Article 30 of the Company Act.	within the third degree of kinship in relation to the Company. 2. Upon verification, the Company confirms that the following three independent directors have met the qualification requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act during the two years prior to their election and throughout their term of service. None of them fall under any of the circumstances described in Article 30 of the Company Act, nor have they been elected as representatives of government entities, juridical persons, or other entities prohibited by Article 27 of the Company Act.	1
Independent Director Lai, Hsin-Chung	Graduated from the Department of Accounting, National Taichung Institute of Technology (now National Taichung University of Science and Technology), currently a practicing CPA at Shou Hsien CPA Firm, holding professional qualifications for national examinations such as judge, prosecutor, attorney, CPA, or other technical personnel required for company operations with relevant certificates, and without any circumstances listed in Article 30 of the Company Act.	3. The independent directors have been granted full authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to independently execute their related duties.	2

3. Board of Directors Diversity

- (1) In accordance with Article 19 of the Company's "Corporate Governance Best-Practice Principles" and Article 2 of the "Director Election Procedures," the Company has established a board diversity policy. All directors possess specialized expertise and provide management with decision-making references based on their experience.
- (2) The Company's current board of directors consists of seven directors, including three independent directors and four directors. Based on their education and experience, the current directors possess professional capabilities including: business experience, accounting expertise, and legal expertise. This has implemented the diversification policy for board composition as set forth in the Company's governance principles.
- (3) The composition of the Board of Directors shall consider diversity, and appropriate diversity guidelines shall be formulated based on the Company's operations, business model, and development needs. These guidelines should include, but not be limited to, standards in the following two major aspects:
 - A. Basic Qualifications and Values: Gender, age, nationality, and cultural background.
 - B. Professional Knowledge and Skills: Professional background (such as legal, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- (4) The Company's board of directors shall guide corporate strategy, supervise management, and be accountable to the Company and its shareholders. In response to business development needs, the Company's board of directors is composed of experts and scholars in industry, finance and accounting, and management; board members include at least one person each from professional fields such as entrepreneurial capability, business experience, legal affairs, accounting, and information and communications technology.

(5) Implementation of board diversity of the Company in 2024

Items Board Members	Diversification													
	Gender	Serving as an employee of the Company concurrently	Age			Term of Office of Independent Director			Industry Experience	Operation and Management	Leadership Decision-Making	Industry Knowledge	Financial Accounting	Laws
			Aged 45-50	Aged 51-55	Aged 56-60	3 Years below	4-6 Years	7-9 Years						
Chairman Lu, Chien-San	Male				✓				✓	✓	✓	✓	✓	
Director Su, Tsai-Chi	Male			✓					✓	✓	✓	✓		
Director Yu, Kun-Hsi	Male				✓				✓	✓	✓	✓		
Representative of Institutional Director Hsu, Liang-Chung	Male				✓				✓	✓	✓	✓		
Independent Director Chen, Ya-Chuan	Female				✓			✓	✓	✓		✓		✓
Independent Director Chao, Chang-Ju	Male		✓					✓	✓	✓		✓	✓	
Independent Director Lai, Hsin-Chung	Male		✓			✓			✓	✓		✓	✓	

(6) The Company's Board Diversity Policy Specific Goals and Achievement Status

Concrete Goals	Status of Achievement
Independent directors shall exceed one-third of total board	Achieved
Independent directors shall not serve more than 3 terms	Achieved
At least one-third of independent directors shall have legal or accounting expertise	Achieved
Directors concurrently serving as company executives shall not exceed one-third of total board seats	Achieved
Adequate diversity of professional knowledge and skills	Achieved
Equal gender representation in board composition, with at least one director from each gender	Achieved

(7) Reasons for not meeting one-third representation of either gender on the board and planned measures to enhance gender diversity

A. Reason:

Due to industry-specific challenges in finding board members with required professional backgrounds, the Company has implemented the goal of having at least one director from each gender to align with diversity trends and related regulations.

B. Planned Measures to be Taken:

The Company will continue to seek and invite suitable candidates to join in the spirit of board diversity, and will actively propose appropriate director candidates during elections, striving to improve the proportion of directors of different genders.

4. Board Independence Status

(1) The Company's current board of directors consists of seven members, including three independent directors, with independent directors accounting for 43%. As of the end of 2024, all independent directors comply with the regulations concerning independent directors set by the Securities and Futures Bureau of the Financial Supervisory Commission, and there are no circumstances among the directors and independent directors as specified in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(2) Independent Director Independence Status:

Independent Director	Items	Whether the individual, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises	Number and percentage of company shares held by the individual, their spouse, or relatives within the second degree of kinship (or by using other people's names)	Whether serving as director, supervisor, or employee of a company with a specific relationship to the Company Employee	Amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated enterprises in the past 2 years
	Chen, Ya-Chuan	No	No such situation	No	No such situation
	Chao, Chang-Ju	No	No such situation	No	No such situation
	Lai, Hsin-Chung	No	No such situation	No	No such situation

(II) Information on President, Vice Presidents, Assistant Vice Presidents, Department Heads and Branch Office Managers

April 21, 2025

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shares held		Shares held by spouse and minor children		Shares Held in Others' Names		Major Experience and Education	Current positions held concurrently in other companies	Executive positions held by relatives within the second degree of kinship or spouses			Note
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relations with Customs	
President	Taiwan	Hsieh, Shu-Min	Female	January 1, 2024	160,000	0.40	—	—	—	—	Master of Human Resource Management, National Sun Yat-Sen University Chief of Staff, General Administration Division, GSeven Co., Ltd	—	—	—	—	—
Vice President	Taiwan	Ho, Cheng-Feng	Male	January 1, 2024	895	0.00	—	—	—	—	Master of Accounting Information, National Chung Cheng University Senior Specialist, Audit Office, TAIFLEX Scientific Co., Ltd. Manager, Audit Department, PwC Taiwan	—	—	—	—	—
Corporate Governance Officer				November 1, 2023												
Chief Financial Officer				November 1, 2023												
Assistant Vice President, Operation Division	Taiwan	Shen, Chih-Kai	Male	January 1, 2024	11,150	0.03	—	—	—	—	Master of Management, I-Shou University Department of Tourism Management, Providence University Production Planning Specialist, Feng Tai Enterprise Co., Ltd.	—	—	—	—	—

Note: The Chairman and the President or equivalent positions (the highest-ranking officer) are not the same person, spouses, or relatives within the first degree: None.

II. Remuneration Paid to Directors, President and Vice Presidents in the Most Recent Year:

(I) Remuneration of Directors and Independent Directors

December 31, 2024 Unit: NT\$1,000

Title	Name	Remuneration to directors								Total amount of items A, B, C, and D and their ratio to profit after tax		Relevant remuneration received when concurrently serving as employees								Total amount of items A, B, C, D, E, F, and G and their ratio to profit after tax		Remuneration received from invested companies other than subsidiaries or from the parent company
		Remuneration (A)		Severance Pay and Pension (B)		Remuneration to Directors (C)		Business Execution Expenses (D)				Salaries, Bonuses and Allowances (E)		Severance Pay and Pension (F)		Remuneration to Employees (G)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
																Cash Amount	Amount of Shares	Cash Amount	Amount of Shares			
Chairman	Lu, Chien-San	2,406	2,406	—	—	1,403	1,403	10	10	3,819	3,819	—	—	—	—	—	—	—	—	3,819	3,819	—
										2.50%	2.50%									2.50%	2.50%	
Director	Su, Tsai-Chi (Note 1)	—	—	—	—	426	426	18	18	444	444	11	11	—	—	—	—	—	—	456	456	—
										0.29%	0.29%									0.30%	0.30%	
Director	Yu, Kun-Hsi	—	—	—	—	229	229	15	15	244	244	—	—	—	—	—	—	—	—	244	244	—
										0.16%	0.16%									0.16%	0.16%	
Institutional Director Representative	Hsu, Liang-Chung, Ji Li Investment Co., Ltd.	—	—	—	—	229	229	36	36	265	265	—	—	—	—	—	—	—	—	265	265	—
										0.17%	0.17%									0.17%	0.17%	
Independent Director	Chen, Ya-Chuan	—	—	—	—	200	200	30	30	230	230	—	—	—	—	—	—	—	—	230	230	—
										0.15%	0.15%									0.15%	0.15%	
Independent Director	Chao, Chang-Ju	—	—	—	—	200	200	38	38	238	238	—	—	—	—	—	—	—	—	238	238	—
										0.16%	0.16%									0.16%	0.16%	
Independent Director	Lai, Hsin-Chung	—	—	—	—	200	200	38	38	238	238	—	—	—	—	—	—	—	—	238	238	—
										0.16%	0.16%									0.16%	0.16%	

- Please describe the payment policy, system, standards and structure for independent directors' remuneration, and explain the correlation between the amount of remuneration paid and factors such as their responsibilities, risks and time commitment:
The payment of remuneration to the Company's independent directors follows a fixed amount system according to the "Directors' Remuneration Payment Guidelines" and does not participate in the company's profit distribution. This is primarily to maintain their independence for improved supervisory functions.
- In addition to the remuneration disclosed in the above table, remuneration received by the Company's directors for providing services (such as serving as non-employee consultants) to all companies included in the financial statements in the most recent year: None.

Note 1: Su Tsai-Chi, an employee and director of the Company, applied for retirement on January 1, 2024

(II) Remuneration to the President and Vice Presidents

December 31, 2024 Unit: NT\$1,000

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Remuneration to Employees(D)				Total amount of items A, B, C, and D and their ratio to profit after tax (%)		Remuneration received from other than subsidiaries or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash Amount	Amount of Shares	Cash Amount	Amount of Shares			
President	Hsieh, Shu-Min	4,180	4,180	181	181	—	—	1,160	—	1,160	—	5,521 3.61%	5,521 3.61%	—
Vice President	Ho, Cheng-Feng													

Remuneration Brackets Table

Bracket of Payment to Each President and Vice President	Name of President and Vice Presidents	
	The Company	All companies included in the consolidated financial reports
Less than NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) – 2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) – 3,500,000 (exclusive)	Hsieh Shu-Min, Ho Cheng-Feng	Hsieh Shu-Min, Ho Cheng-Feng
NT\$3,500,000 (inclusive) – 5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive) – 10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive) – 15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) – 30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) – 50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) – 100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—
Total	2 persons	2 persons

(III) Names of executives distributing employee remuneration, and distribution status

December 31, 2024 Unit: NT\$1,000

December 31, 2021 Unit: TWD1,000

	Title	Name	Amount of Shares	Cash Amount	Total	Total amount as a percentage of net income after tax
Executive	President	Hsieh, Shu-Min	—	1,660	1,660	1.09%
	Vice President	Ho, Cheng-Feng				
	Corporate Governance Officer					
	Chief Financial Officer					
	Assistant Vice President	Shen, Chih-Kai				

(IV) Analysis of remuneration to directors, President, and Vice Presidents as a percentage of net income after tax stated in the parent company only or separate financial statements of the Company and all companies included in the consolidated financial statements, and explanation of the policies, standards, and packages of remuneration, the procedure for determining remuneration, and the correlation with business performance and future risks.

1. Analysis of remuneration to directors, President, and Vice Presidents as a percentage of net income after tax stated in the parent company only or separate financial statements for the last two years.

Unit: %

Items Title	The Company As a percentage of net income after tax		All companies included in the consolidated financial statements As a percentage of net income after tax	
	2023	2024	2023	2024
Remuneration to directors	2.11%	3.58%	2.11%	3.58%
Remuneration to President and Vice Presidents	1.94%	3.61%	1.94%	3.61%

2. Policies, Standards, and Composition for Remuneration Payments

According to the Company's Articles of Incorporation, the remuneration for directors is determined by the board of directors based on each director's level of participation in company operations and contribution value, with reference to industry standards. Directors' remuneration shall not exceed 1.5% of the current year's profit. However, in cases where there are accumulated losses, these must first be offset. Additionally, according to Article 3 of the Directors' Remuneration Payment Guidelines, independent directors receive fixed annual remuneration of NT\$200,000, do not participate in the distribution of directors' remuneration from annual profits, and are paid on December 31 of each year. For terms of less than one year, payment is prorated based on the number of months served in that year.

The appointment, dismissal, and remuneration of the Company's executives shall be determined by the board of directors, in accordance with the Company's Articles of Incorporation, through a resolution requiring attendance by more than half of the directors and approval by more than half of the attending directors. Executive remuneration is paid based on mutual labor-management agreements, taking into consideration the time devoted by each individual, their responsibilities, the achievement of personal objectives, and future risk exposure. Such remuneration is reasonably determined in relation to the achievement of both short-term and long-term business objectives, the Company's financial position, and is subject to periodic review based on the Company's operating conditions, as well as relevant laws and regulations, to achieve a balance between sustainable operations and risk management.

3. Procedure for Determining Remuneration

The remuneration of the Company's directors and executives is regularly evaluated and reviewed annually by the Remuneration Committee and the board of directors in accordance with regulations. This process considers individual performance achievement rates and contributions to the Company, while also taking into account overall operational performance, future industry risks and development trends, actual business conditions, and relevant laws and regulations to review the remuneration system in a timely manner and provide reasonable remuneration. For 2024, the actual amounts of remuneration paid to directors and executives were all reviewed by the Remuneration Committee before being submitted to the board of directors for determination.

4. Correlation with Operational Performance

The Company's remuneration policy, standards, and system review primarily considers the overall operational status of the organization. Remuneration standards are determined based on performance achievement rates and contribution levels to enhance organizational team effectiveness. The process incorporates references to relevant human resource factors, remuneration policies, industry remuneration standards, and actual performance evaluation results. This ensures that the Company's management-level remuneration remains competitive within the industry to retain outstanding management talent.

5. Correlation with Future Risks

The Company aligns executive performance goals with "risk management" to ensure that potential risks within their scope of responsibility are properly managed and prevented. The management level's important decisions take into account various risk factors, and the performance of these decisions is reflected in the Company's profitability, which in turn is linked to management's remuneration. In other words, the Company's executives' remuneration is related to their risk management performance.

III. Corporate Governance Operations

(I) Board of Directors Operations

In the most recent year (2024), the Board of Directors held 6 meetings (A), with directors' attendance as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Ratio of Actual Attendance (%) (B/A)	Note
Chairman	Lu, Chien-San	5	1	83%	—
Director	Su, Tsai-Chi	6	0	100%	—
Director	Yu, Kun-Hsi	6	0	100%	—
Director	Ji Li Investment Co., Ltd. Representative Hsu, Liang-Chung	6	0	100%	—
Independent Director	Chen, Ya-Chuan	5	1	83%	—
Independent Director	Chao, Chang-Ju	6	0	100%	—
Independent Director	Lai, Hsin-Chung	6	0	100%	—

Other items to be recorded:

- I. If the operation of the Board of Directors involves any of the following circumstances, the date of the board meeting, session, proposal content, opinions of all independent directors, and the Company's handling of independent directors' opinions should be specified.
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee; therefore, according to Article 14-5 of the Securities and Exchange Act, Article 14-3 of the Securities and Exchange Act does not apply.
 - (II) Apart from the aforementioned matters, other board resolutions where independent directors expressed objections or reservations and have records or written statements: No such situation.
- II. Regarding Recusal of Directors for Conflict-of-Interest Proposals:
 Directors' recusal for conflict-of-interest proposals should specify the director's name, proposal content, reason for interest recusal, and participation in voting: No such situation.

III. Board Evaluation Implementation:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
Annual Evaluation	January 1, 2024 December 31, 2024	Board of Directors Performance Evaluation	Self-evaluation of the Board of Directors	A. Participation in Company Operations B. Improving Board Decision-Making Quality C. Board Composition and Structure D. Director Selection and Continuing Education E. Internal Control	4.80 (Rated as excellent and submitted to the Board of Directors meeting on December 11, 2024)
		Individual Board Member Performance Evaluation	Board Member Self-evaluation Items	A. Understanding of company objectives and mission B. Awareness of director responsibilities C. Participation in company operations D. Internal relationship development and communication E. Director's expertise and continuing education F. Internal control	4.82 (Rated as excellent and submitted to the Board of Directors meeting on December 11, 2024)
		Audit Committee Performance Evaluation	Self-Evaluation of the Audit Committee	A. Participation in Company Operations B. Awareness of functional committee responsibilities C. Enhancement of functional committee decision-making quality D. Functional committee composition and member selection E. Internal Control	4.55 (Rated as excellent and submitted to the Board of Directors meeting on December 11, 2024)
		Remuneration Committee Performance Evaluation	Self-evaluation of the Remuneration Committee	A. Participation in Company Operations B. Awareness of functional committee responsibilities C. Enhancement of functional committee decision-making quality D. Functional committee composition and member selection E. Internal Control	4.55 (Rated as excellent and submitted to the Board of Directors meeting on December 11, 2024)
		Sustainable Development Committee Performance Evaluation	Self-evaluation of the Sustainable Development Committee	A. Participation in Company Operations B. Awareness of functional committee responsibilities C. Enhancement of functional committee decision-making quality D. Functional committee composition and member selection E. Internal Control	4.55 (Rated as excellent and submitted to the Board of Directors meeting on December 11, 2024)

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
Once Three Years	December 1, 2023 November 30, 2024	Effectiveness of the Board of Directors Evaluation (including performance)	In September 2024, the Company appointed an external professional organization, the Taiwan Corporate Governance Association, to conduct a performance evaluation. This organization has no business dealings with the Company, ensuring its independence.	<p>1. In November 2024, the organization reviewed relevant documents provided by the Company for evaluation through an open-ended questionnaire.</p> <p>2. In January 2025, the organization conducted video conference interviews with the Company's Chairman, all independent directors, the President, the head of corporate governance, and the head of audit.</p> <p>3. The evaluation framework is as follows:</p> <ul style="list-style-type: none"> A. Board composition and division of responsibilities B. Board guidance and supervision C. Board delegation and risk management D. Board communication and collaboration E. Board self-discipline and improvement 	<p>The Company intends to use these improvement recommendations as a reference for continuously strengthening board functions. The evaluation results, recommendations, and planned implementation measures outlined below have been submitted to the board of directors meeting on March 11, 2025.</p> <p>1. Evaluation Results: To strengthen corporate governance, ensure stable business operations, and achieve sustainable development, your company has established a Sustainable Development Committee composed of three independent directors. This committee aims to promote environmental protection, social responsibility, and corporate governance issues through an ESG framework, supervise risk management, and strengthen the company's strategies for mitigating and adapting to climate change impacts. The Internal Audit Office reports directly to the board of directors. The head of the Internal Audit Office submits monthly audit reports to the independent directors and holds quarterly discussions with them before board meetings to report on the implementation of internal audits and internal control operations. Independent directors also provide recommendations to strengthen audit matters and internal controls through phone calls, emails, or communication software. The CPAs attend board meetings quarterly to address inquiries and regularly communicate with independent directors regarding the audited financial status and the implementation of internal controls. These communications include discussions on accounting principles and explanations of significant matters affecting profit and loss.</p> <p>2. Suggestions for Improvement and Planned Actions: Suggestion for Improvement: While your company provides assistance to newly appointed directors, there is currently no formal orientation mechanism in place for them. To help new directors quickly familiarize themselves with the company, understand its operational status and development, we recommend that your company consider establishing a formal "New Director Orientation System." This would involve designated personnel providing briefings on company operations, industry trends, regulatory requirements, directors' rights and obligations, and continuing education policies. By arranging site visits and required courses, new directors would be better equipped with the necessary information to fulfill their responsibilities.</p> <p>Planned Action: The Company plans to develop and establish a formal orientation system for newly appointed directors in 2025 to help them understand company operations, industry trends, regulatory requirements, directors' rights and obligations, and continuing education policies.</p>

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
					<p>Suggestion for Improvement:</p> <p>The Company has established an “Investor Relations” section on its official website. Under the “Sustainable Development-Integrity Management” subsection, whistleblowing methods and channels are disclosed, including dedicated hotlines and mailboxes for the corporate governance officer, the head of the Internal Audit Office, and individual mailboxes for each of the three independent directors. While the Company has adjusted relevant processes based on recommendations from the previous external evaluation, the internal regulations have not been simultaneously updated. Based on the whistleblower mechanism’s emphasis on direct communication with the board of directors (especially independent directors), we recommend that your company integrate existing mechanisms to establish an independent and reliable communication channel. This would allow employees, suppliers, and other stakeholders to promptly report relevant matters directly to independent directors/audit committee. Additionally, disclosing related internal regulations on the official website would further strengthen the whistleblower prevention mechanism.</p> <p>Planned Action:</p> <p>The Company established a dedicated whistleblower mailbox in January 2025. When this mailbox receives a report from a whistleblower, it simultaneously forwards the message to all independent directors, the corporate governance officer, and the audit supervisor.</p> <p>The Company established the Whistleblowing Procedures for Illegal, Unethical or Dishonest Conduct in 2024. However, the categories of reportable matters and their corresponding investigation standard operating procedures need to be more clearly established. We plan to complete these revisions in 2025.</p> <p>Suggestion for Improvement:</p> <p>While your Company has established notification procedures for major unexpected incidents, a clear and comprehensive reporting mechanism is still lacking. We recommend that your Company establish a clear reporting system for unexpected major events and information. This system should include the types of information that must be reported, reporting deadlines, reporting methods, and hierarchical levels. This will ensure that all board members can promptly grasp important event situations and fulfill their responsibilities as directors.</p> <p>Planned Action:</p> <p>The Company plans to revise the “Major Emergency Incident” procedures, which will be implemented following board approval in 2025.</p>

IV. Objectives and Implementation Status of Strengthening Board Functions in the Current Year and Recent Years

Objectives for Strengthening Board Functions	Implementation Status Evaluation
Continuously Enhance Information Transparency	The Company discloses corporate information according to regulatory requirements and regularly updates information on the company website
Actively Establish Communication with Stakeholders	<ol style="list-style-type: none"> 1. The stakeholders section on the Company's official website provides a suggestion and complaint service window, which stakeholders can use as a communication channel. 2. The annual shareholders' meeting accepts shareholder proposals according to the schedule. Shareholders with proposal rights may submit applications to the Company during the acceptance period. The Company will convene a board meeting to review these proposals in accordance with regulations.
Enhancing Board Operation Efficiency and Decision-Making Capability	<ol style="list-style-type: none"> 1. The Company has established "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies." All board operations are conducted in compliance with these "Rules of Procedure for Board of Directors Meetings." 2. To implement corporate governance, protect shareholders' rights, and strengthen board functions, the Company approved the establishment of a corporate governance officer position through a board resolution on May 7, 2019, to assist with board operations.
Enhancing Supervision Capability	The Company has established the "Scope of Authority for Independent Directors" and formed the Remuneration Committee, Audit Committee, and Sustainable Development Committee to strengthen the corporate governance functions of the board of directors.
Enhancing Professional Knowledge	The Company regularly provides information about continuing education courses for directors and encourages directors to participate in these courses to meet the required training hours for directors.
Purchase of Liability Insurance for Directors and Executives	The Company has renewed liability insurance for directors and executives, which was reported to the board of directors on August 6, 2024.

(II) Operations of the Audit Committee

A summary of the Audit Committee's annual key work items and a description of its operations for the current year are as follows:

1. The Company's Audit Committee consists of three independent directors responsible for overseeing the fair presentation of the Company's financial statements, the appointment (dismissal) and independence and performance evaluation of the certifying CPA, the effective implementation of internal controls, compliance with relevant laws and regulations, and the control of existing or potential risks of the Company. Its main authorities are listed below:
 - (1) Establish or amend the Internal Control System in accordance with Article 14-1 of the Securities and Exchange Act.
 - (2) Evaluation of the effectiveness of the Internal Control System.
 - (3) Establishment or amendment of procedures for significant financial or business activities such as the acquisition or disposal of assets, derivatives transactions, lending funds to others, and endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
 - (4) Matters involving a director's own interest.
 - (5) Material asset or derivatives transactions.
 - (6) Material loans, endorsements, or provisions of guarantees.
 - (7) The offering, issuance, or private placement of equity-type securities.
 - (8) Appointment, dismissal, or remuneration of the CPAs.
 - (9) Appointment or dismissal of financial, accounting, or internal audit heads.
 - (10) Annual financial reports and semi-annual financial reports.
 - (11) Business reports and profit distribution or loss offset proposals.
 - (12) Significant changes in accounting policies or accounting estimates.
 - (13) Significant non-audit services provided by the CPA, material non-financial reports (such as CSR reports).
 - (14) Matters and procedures related to business mergers, consolidations, splits, acquisitions, and share transfers.
 - (15) Significant related party transactions.
 - (16) Significant disputes with stakeholders.
 - (17) Major risk management and control.
 - (18) Material information disclosure, information network security.
 - (19) Significant donation matters.
 - (20) Other significant matters prescribed by the Company or competent authorities.

2. Review of Financial Reports

The board of directors has submitted the Company's 2024 business report, consolidated financial statements, parent company only financial statements, and earnings distribution proposal. The consolidated financial statements and parent company only financial statements have been audited by CPAs Liao A-Shen and Wang Chun-Kai of PricewaterhouseCoopers, who have issued their audit reports. The aforementioned business report, consolidated financial statements, parent company only financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and found to be appropriate.

3. Evaluation of Internal Control Effectiveness

The Audit Committee has evaluated the Company's Internal Control System as of December 31, 2024 (including supervision and management of subsidiaries), including understanding the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, and transparency of reporting and compliance with relevant regulations and laws. The design and implementation of the relevant Internal Control System are deemed effective. Our Internal Control System includes a self-monitoring mechanism whereby, once a deficiency is identified, the Company immediately takes corrective action.

4. Certified Public Accountant

The Audit Committee is responsible for evaluating the independence of the CPA firm to ensure the fairness of financial statements. The CPA firm shall not provide services to the Company other than tax-related services or specially approved items. All services provided by the CPA must be approved by the Audit Committee.

To ensure the independence of the CPA firm, the Audit Committee established an independence evaluation procedure based on Article 47 of the Certified Public Accountant Act, Statement of CPA Professional Ethics No. 10 "Integrity, Fairness, Objectivity and Independence," and Audit Quality Indicators (AQIs). This procedure evaluates whether CPAs maintain independence, professionalism, and competence, assessing if there are any related party relationships or business or financial interests between the CPAs and the Company.

On March 14, 2024, the Second Audit Committee at its 10th meeting and the 11th Board of Directors at its 11th meeting approved that CPAs Alex Liao and Kevin Wang from PricewaterhouseCoopers Taiwan meet the independence evaluation standards and are qualified to serve as the Company's CPAs for financial and tax attestation for 2024.

5. Information on the Operation of the Audit Committee

In the most recent year (2025), the Audit Committee has held 6 meetings (A). The attendance of Independent Directors is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Ratio of Actual Attendance (%) (B/A)	Note
Independent Director	Chen, Ya-Chuan	6	0	100%	—
Independent Director	Chao, Chang-Ju	6	0	100%	—
Independent Director	Lai, Hsin-Chung	6	0	100%	—

Other items to be recorded:

- I. If any of the following circumstances occurs in the operation of the Audit Committee, the date of the Audit Committee meeting, the session, the content of the proposal, the objections, reservations, or major recommendations of the independent directors, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be specified.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee Term and Date	Proposal Content	Resolution Result	The Company's handling of members' opinions
The 9th meeting of the 2nd term January 29, 2024	<ol style="list-style-type: none"> 1. President and COO Promotion Case 2. Renewal of the Company's bank transactions and application for new credit lines 3. Change of Custodian for Company Seals 4. Approval of 2023 Year-End Bonuses for Company Executives 	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 10th meeting of the 2nd term March 14, 2024	<ol style="list-style-type: none"> 1. Distribution of 2023 Employee and Director Remuneration 2. Approval of the Company's 2023 Business Report and Financial Statements 3. The Company's 2023 Earnings Distribution Proposal 4. Amendment to the Company's Articles of Incorporation 5. Amendment to the Company's "Directors' Remuneration Payment Guidelines" 6. Renewal of the Company's bank transactions and application for new credit lines 7. Proposal for the Company's fund lending to subsidiaries 8. The Company's provision of endorsements/guarantees for subsidiaries 9. The Company's "Declaration of Internal Control" for 2023 internal control self-assessment 10. Evaluation of independence and competence of CPAs for auditing of the Company's financial statements 11. Appointment of CPAs for 2024 12. Pre-approval of non-assurance services to be provided by CPAs, their accounting firms, and affiliates to the Company and its subsidiaries 13. Matters regarding the Company's 2024 Regular Shareholders' Meeting 14. Matters regarding the acceptance of shareholder proposals for the 2024 Regular Shareholders' Meeting 15. The Company's proposed real estate acquisition 16. The Company's 2024 salary adjustment proposal for executives 	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 11th meeting of the 2nd term May 7, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's financial statements for the first quarter of 2024 2. Distribution of 2023 directors' remuneration and employees' remuneration to the Company's directors and executives 3. Proposal for the Company's fund lending to subsidiaries 	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 12th meeting of the 2nd term August 6, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's financial statements for the second quarter of 2024 2. Renewal of the Company's bank transactions and application for new credit lines 3. Proposal for the Company's fund lending to subsidiaries 4. Appointment of the Company's Head of Audit 	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 13th meeting of the 2nd term November 5, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's financial statements for the third quarter of 2024 2. Change of Custodian for Company Seals 3. Proposal for the Company's fund lending to subsidiaries 4. The Company's and its subsidiaries' "Annual Audit Plan" for 2025 5. Amendments to various Corporate Governance regulations of the Company 	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 14th meeting of the 2nd term December 11, 2024	<ol style="list-style-type: none"> 1. Authorization for the Chairman to purchase real estate 2. The Company's 2025 annual budget 3. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets" 4. Amendment to the Company's "Internal Control System" and "Internal Audit System" 	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors

(II) Apart from the aforementioned items, there are no resolutions that were not approved by the Audit Committee but were approved by more than two-thirds of all directors: No such situation.

II. Implementation of recusal by independent directors for proposals with conflicts of interest, including the names of independent directors, proposal content, reasons for recusal, and voting participation: No such situation.

III. Communication between independent directors, the head of internal audit, and CPAs (including significant matters, methods, and results of communication regarding the Company's financial and business conditions):

(I) The independent directors of the Company regularly communicate with the head of internal audit before board meetings, maintaining good interaction. The internal audit officer regularly reports on audit plan implementation and improvement progress during meetings, and communicates on the effectiveness of the Company's internal control implementation through exchanges of opinions.

(II) The Company's independent directors regularly communicate with the CPAs before board meetings, and the interaction is positive. During these meetings, the CPAs thoroughly discuss with the independent directors regarding the review or audit of the Company's financial reports, or financial, tax, and internal control related issues.

(III) Summary of the communication between independent directors and the internal audit department

Date	Attendees	Communication Matters	Communication Results
March 14, 2024	Independent Director Chao Chang-Ju Independent Director Chen Ya-Chuan Independent Director Lai Hsin-Chung Head of Audit Wang Pei-Fen	1. Report on the audit operations execution results for October-December 2023	Approved without objection
		2. Follow-up report on previous deficiencies	Approved without objection
		3. Report on the Declaration of Internal Control System	For the board of directors' resolution
May 7, 2024	Independent Director Chao Chang-Ju Independent Director Chen Ya-Chuan Independent Director Lai Hsin-Chung Head of Audit Wang Pei-Fen	1. Report on the audit operations execution results for January-March 2024	Approved without objection
		2. Follow-up report on previous deficiencies	Approved without objection
November 5, 2024	Independent Director Chao Chang-Ju Independent Director Chen Ya-Chuan Independent Director Lai Hsin-Chung Head of Audit Lin Yu-Chen	1. Report on the audit operations execution results for July-September 2024	Approved without objection
		2. Follow-up report on previous deficiencies	Approved without objection
		3. Report on 2025 audit plan	For the board of directors' resolution
December 11, 2024	Independent Director Chao Chang-Ju Independent Director Chen Ya-Chuan Independent Director Lai Hsin-Chung Head of Audit Lin Yu-Chen	1. Report on the audit operations execution results for October-December 2024	Approved without objection
		2. Follow-up report on previous deficiencies	Approved without objection

(IV) Summary of the communication between the independent directors and the CPAs

Date	Attendees	Communication Matters	Communication Results
March 14, 2024	Independent Director Chao Chang-Ju Independent Director Chen Ya-Chuan Independent Director Lai Hsin-Chung CPA Liao A-Shen	1. Explanation of auditing of 2023 financial statements. 2. Explanation of CPA independence and competence. 3. Report on the Company's financial and business status. 4. Legal updates.	No matters raised by independent directors. Other opinions
November 5, 2024	Independent Director Chao Chang-Ju Independent Director Chen Ya-Chuan Independent Director Lai Hsin-Chung CPA Liao A-Shen	1. Explanation of the audited financial statements of the third quarter of 2024 2. Report on the Company's financial and business status. 3. Legal updates.	No matters raised by independent directors. Other opinions

(III) Corporate governance operations and differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
I. Has the Company established and disclosed Corporate Governance Best-Practice Principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		To protect shareholders’ rights, strengthen the functions of the board of directors, respect the rights of stakeholders, and enhance information transparency, the Company has established “Corporate Governance Best-Practice Principles,” which are disclosed on the Market Observation Post System and the Company’s official website for compliance.	No difference.
II. Company’s shareholding structure and shareholders’ rights				
(I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes, and litigation matters, and implemented them according to these procedures?	✓		The Company has designated responsible personnel, including a spokesperson, to handle shareholder suggestions, doubts, disputes, and litigation matters, and has appointed First Securities Inc. Stock Agency Department to handle stock affairs.	No difference.
(II) Does the Company maintain a list of major shareholders who actually control the Company and the ultimate controllers of these major shareholders?	✓		The Company and its stock agency monitor the changes in shareholdings of insiders, including directors, executives, and shareholders holding more than 5% of shares, and report these changes monthly on the Market Observation Post System.	No difference.
(III) Has the Company established and implemented risk control and firewall mechanisms between the Company and its affiliated enterprises?	✓		The Company has established operational guidelines for financial and business activities between affiliated enterprises and has incorporated related party transaction management procedures in its Internal Control System to implement risk control mechanisms for subsidiaries.	No difference.

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
(IV)Has the Company established internal regulations prohibiting insiders from trading securities using market information that has not been publicly disclosed?	✓		The Company has established Corporate Governance Best-Practice Principles, Integrity Management Procedures and Code of Conduct, Internal Material Information Handling Procedures, and Insider Trading Prevention Procedures, which prohibit company insiders from trading securities using non-public market information. The Company also regularly communicates these procedures to insiders to avoid violations of relevant regulations.	No difference.
III. Composition and Responsibilities of the Board of Directors				
(I) Has the board of directors formulated a diversity policy, specific management objectives, and implemented them?	✓		Please refer to pages 8–10 of this annual report.	No difference.
(II) In addition to establishing the Remuneration Committee and Audit Committee as required by law, has the Company voluntarily established other functional committees?	✓		In addition to establishing the Remuneration Committee and Audit Committee as required by law, the Company also resolved to establish a Sustainable Development Committee at the board meeting on August 7, 2023, to assist the board of directors in managing and directing the Company’s sustainability-related issues and strategies. The Company will establish various functional committees as needed based on operational requirements in the future.	No difference.
(III)Has the Company established regulations for evaluating board performance and its evaluation methods, conducting regular performance evaluations annually, reporting the evaluation results to the board of directors, and using these results as a reference for individual director remuneration and nomination for reappointment?	✓		The Company established “Board of Directors Performance Evaluation Regulations” at the 4th meeting of the 10th board of directors on November 8, 2019, which stipulates that internal board performance evaluations shall be conducted annually, and at least once every three years by an external professional independent institution or team of external experts and scholars. According to the regulations, evaluation results are to be reported to the board of directors by the first quarter of the following year. For relevant evaluation information, please refer to pages 17–19 of this annual report. The board evaluation procedures comply with corporate governance principles, and the results serve as reference for the selection or nomination of directors	No difference.

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																											
	Yes	No	Summary Description																												
(IV)Does the Company regularly evaluate the independence of its CPAs?	✓		<p>The board of directors of the Company performs regular annual evaluations of its CPAs and obtains independence declaration letters from them. After confirming that the CPAs and the Company have no financial interests or business relationships other than fees for certification and tax cases, and that the CPAs’ family members do not violate independence requirements, the results are reported to the board of directors.</p> <p>CPA evaluation criteria:</p> <table><tr><th>Evaluation Items</th><th>Evaluation Results</th><th>Compliance with independence requirements</th></tr><tr><td>1.As of the most recent certification engagement, no situation where the CPA has not been replaced for seven years.</td><td>Yes</td><td>Yes</td></tr><tr><td>2.There is no significant financial interest relationship with the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>3.Avoidance of any inappropriate relationship with the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>4.CPAs shall ensure the honesty, impartiality and independence of their assistants.</td><td>Yes</td><td>Yes</td></tr><tr><td>5.The financial statements of the service organization in the two years prior to practicing the law may not be audited.</td><td>Yes</td><td>Yes</td></tr><tr><td>6.The name of a CPA shall not be used by another person.</td><td>Yes</td><td>Yes</td></tr><tr><td>7.Does not own shares of the Company and affiliated enterprises.</td><td>Yes</td><td>Yes</td></tr><tr><td>8.Not in any loan arrangements with the Company and its affiliated enterprises.</td><td>Yes</td><td>Yes</td></tr></table>	Evaluation Items	Evaluation Results	Compliance with independence requirements	1.As of the most recent certification engagement, no situation where the CPA has not been replaced for seven years.	Yes	Yes	2.There is no significant financial interest relationship with the client.	Yes	Yes	3.Avoidance of any inappropriate relationship with the client.	Yes	Yes	4.CPAs shall ensure the honesty, impartiality and independence of their assistants.	Yes	Yes	5.The financial statements of the service organization in the two years prior to practicing the law may not be audited.	Yes	Yes	6.The name of a CPA shall not be used by another person.	Yes	Yes	7.Does not own shares of the Company and affiliated enterprises.	Yes	Yes	8.Not in any loan arrangements with the Company and its affiliated enterprises.	Yes	Yes	No difference.
Evaluation Items	Evaluation Results	Compliance with independence requirements																													
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Evaluation Items	Operation Status					Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description			
			Evaluation Items	Evaluation Results	Compliance with independence requirements	
			9. There is no joint investment or benefit-sharing relationship with the Company and its affiliated enterprises.	Yes	Yes	
			10. Does not receive fixed salary for regular work of the Company or its affiliated enterprises.	Yes	Yes	
			11. Not involved in management functions that make decisions for the Company or its affiliated enterprises.	Yes	Yes	
			12. Not engaged in any other business that may lose the independence.	Yes	Yes	
			13. Not related to any of the Company’s management as spouse, blood relative, relative by affinity, or second-degree relative.	Yes	Yes	
			14. No business-related commission was received.	Yes	Yes	
			15. So far, there have been no penalties or violations of the independence principle.	Yes	Yes	
			The Company evaluates the independence and competence of its appointed CPAs based on the five dimensions of Audit Quality Indicators (AQIs) and in accordance with the Certified Public Accountant Act and Statement of Professional Ethics No. 10. Based on the Company’s evaluation, CPAs Liao A-Shen and Wang Chun-Kai of PricewaterhouseCoopers Taiwan meet the Company’s independence evaluation criteria and are qualified to serve as the Company’s certifying CPAs. The evaluation results were reported to and approved by the Audit Committee and the board of directors on March 11, 2025.			

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
IV. Is there an appropriate number of qualified corporate governance personnel in the listed or over-the-counter company, and is a corporate governance officer designated to be responsible for corporate governance matters (including but not limited to providing directors with information necessary for business execution, assisting directors, ensuring compliance with laws and regulations, legally handling matters related to board and shareholders' meetings, and preparing minutes of board and shareholders' meetings)?	✓		<p>1.To strengthen corporate governance, the Company announced the appointment of CFO Li Po-Chang of the Finance Department as the corporate governance officer on May 7, 2019. On November 1, 2023, the Company announced that the corporate governance officer position was transferred to Vice President Ho Cheng-Feng of the General Administration Division.</p> <p>2.The corporate governance officer is responsible for corporate governance-related matters, with the following scope of authority:</p> <ul style="list-style-type: none"> (1) Legally handling matters related to board and shareholders' meetings (2) Preparing minutes of board and shareholders' meetings (3) Assisting directors with their appointment and continuing education (4) Providing directors with information necessary for business execution (5) Assisting directors in complying with laws and regulations (6) Other matters specified in the articles of incorporation or contracts 	No difference.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and appropriately responded to important corporate social responsibility issues of concern to stakeholders?	✓		The Company has established communication channels with different stakeholders through various departments and has set up a stakeholder section on the Company's website. To facilitate effective communication with different stakeholders, the Company regularly reports communication results to the board of directors. The topics of concern to various stakeholders, communication frequency, and implementation status for 2024 were reported to the board of directors on November 5, 2024.	No difference.

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
VI. Has the Company appointed a professional shareholder services agent to handle matters related to shareholders' meetings?	✓		The Company has appointed the Shareholder Services Department of First Securities Inc. to assist in handling the Company's shareholder services and shareholders' meeting matters.	No difference.
VII. Information Disclosure				
(I) Has the Company established a website to disclose financial, operational, and corporate governance information?	✓		The Company has disclosed financial, operational, and corporate governance-related information on its official website (https://www.gseven.com.tw/), and has designated personnel responsible for its maintenance.	No difference.
(II) Has the Company adopted other means of information disclosure (such as establishing an English website, designating personnel responsible for collecting and disclosing company information, implementing a spokesperson system, and posting institutional investor conference proceedings on the company website)?	✓		The Company convenes institutional investor conferences as needed and posts video recordings of these conferences in the Investor Relations section of the Company's official website for public access. The Company also announces relevant information on the Market Observation Post System. The Company has designated personnel responsible for collecting relevant information and disclosing material company matters, and all external communications are made uniformly through the spokesperson or deputy spokesperson.	No difference.
(III) Does the Company announce and file its annual financial reports within two months after the end of the year, and announce and file its first, second, and third quarter financial reports and monthly operations before the required deadlines?	✓		The Company announces and files its annual financial reports within seventy-five days after the end of the year, and announces and files its first, second, and third quarter financial reports and monthly operations before the required deadlines. Related announcements are available on the Company's official website and the Market Observation Post System.	The Company files reports in accordance with regulations without early submission

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
VIII. Does the Company have other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' training, risk management policies and risk measurement standards implementation, customer policy implementation, and liability insurance for directors)?	✓		<p>1.Employee Rights and Employee Care: The Company values employee rights and has established an Employee Welfare Committee that holds regular meetings to discuss employee welfare measures. Through various employee benefit programs and quality training, the Company maintains employee rights and promotes harmonious labor–management relations.</p> <p>2.Investor Relations: The Company values investor rights and promptly discloses relevant information on the Market Observation Post System website in accordance with regulations. This information is simultaneously posted on the Company's official website.</p> <p>3.Supplier Relations: The Company maintains good relationships with suppliers. Over the years, all suppliers have met quality and delivery standards, with no occurrences of supply shortages or interruptions.</p> <p>4.Stakeholders' Rights: The Company's official website features a dedicated stakeholders' section that provides communication channels to protect the legitimate rights of both parties.</p> <p>Directors' Training: All Company directors have completed required training courses as stipulated by regulations. Please refer to page 40 of this annual report for details.</p> <p>5.Directors' Training: All Company directors have completed required training courses as stipulated by regulations. Please refer to page 53–54 of this annual report for details.</p> <p>6.Implementation Status of Risk Management Policies and Risk Measurement Standards: Various internal regulations have been established to conduct risk management and assessment.</p> <p>7.Implementation Status of Customer Policy: The Company has established customer complaint handling procedures to properly identify issues and assign responsibility when customer complaints occur. Swift and effective handling strategies are adopted, and</p>	No difference.

Evaluation Items	Operation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
			<p>preventive improvement measures are proposed to prevent similar incidents from recurring. After-sales customer service representatives are also assigned to proactively understand customer satisfaction.</p> <p>8. Status of Directors' Liability Insurance: To reduce risk and mitigate potential significant losses to the Company and shareholders caused by directors' and executives' errors or negligence, the Company has purchased liability insurance for directors and executives. This insurance coverage was reported to the board of directors on August 6, 2024.</p>	
<p>IX. Regarding the results of the most recent corporate governance evaluation released by the Corporate Governance Center of Taiwan Stock Exchange Corporation, please explain improvements made and priority areas for enhancement for items that have not yet been improved.</p> <p>The Company's improvements in the 10th Corporate Governance Evaluation include:</p> <ol style="list-style-type: none"> 1. Established a Sustainable Development Committee consisting of not less than three members, all of whom are independent directors with professional capabilities required for the committee, and disclosed its composition, responsibilities, and operational status. 2. Formulated risk management policies and procedures (including disclosure of risk management scope, organizational structure, and operations) and reported to the board of directors at least once a year. 3. The Company's Sustainable Development Committee oversees risk management and has established risk management policies and procedures approved by the board of directors. The Company discloses its risk management organizational structure, risk management procedures, and their operation, and reports to the board of directors at least once a year. 4. The Company has established an information security risk management framework and formulated information security policies, specific management programs, and resources invested in information security management, which are disclosed on the Company's official website. 5. The Company regularly discloses specific implementation plans and results of corporate sustainability development (ESG) on the Company's official website. 				

(IV) Operation of the Remuneration Committee

1. Information of the Remuneration Committee Members

December 31, 2024

Type of Identity	Name	Conditions	Professional Qualifications and Experience	Independence Status:	Number of Other Publicly Listed Companies Where Serving as Independent Director
Independent Director	Chao, Chang-Ju	Please refer to the relevant content about the disclosure of directors' professional qualifications and independence of independent directors on page 7–8. Disclosure of related information on independence of independent directors			1
Independent Director	Lai, Hsin-Chung				1
Independent Director	Chen, Ya-Chuan				0

2. Responsibilities

The members of this committee shall faithfully perform the following duties with the care of a good administrator and shall be responsible to the board of directors, and submit their recommendations to the board of directors for discussion:

- (1) Establish and regularly review the policies, systems, standards, and structures for performance evaluation and remuneration of directors and executives.
- (2) Regularly evaluate the achievement of performance targets for the Company's directors and executives, and determine the content and amount of their individual remuneration. All recommendations shall be submitted to the board of directors for discussion.

3. Information on the Operation of the Remuneration Committee

- (1) The Company has three members on its Remuneration Committee.
- (2) The term of the current committee members: August 8, 2022 to June 14, 2025. The Remuneration Committee held 3 meetings (A) in 2024, with the following qualification and attendance information:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Ratio of Actual Attendance (%) (B/A)	Note
Independent Director (Convener)	Chao, Chang-Ju	3	0	100%	—
Independent Director	Chen, Ya-Chuan	3	0	100%	—
Independent Director	Lai, Hsin-Chung	3	0	100%	—

Other items to be recorded:

- I. If the board of directors does not adopt or decides to modify the recommendations of the Remuneration Committee, the Company shall specify the date of the board meeting, the session, the content of the motion, the resolution of the board of directors, and how the Company handled the Remuneration Committee's opinions (if the remuneration approved by the board of directors is better than that recommended by the Remuneration Committee, the differences and the reasons shall be specified): No such situation.
- II. Regarding the resolutions made by the Remuneration Committee, if any member has objections or reservations and has a record or written statement, the Company shall specify the date of the Remuneration Committee meeting, the session, the content of the motion, the opinions of all members, and how the Company handled those opinions: No such situation.

III. The Company's most recent meetings of the Remuneration Committee, including the dates, agenda items, resolutions, and the Company's handling of committee members' opinions:

Remuneration Committee Session and Date	Proposal Content	Resolution Result	The Company's handling of members' opinions
The 3rd meeting of the 3rd term January 29, 2024	Approval of 2023 Year-End Bonuses for Company Executives	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 4th meeting of the 3rd term March 14, 2024	1. Distribution of 2023 Employee and Director Remuneration 2. Amendment to the Company's "Directors' Remuneration Payment Guidelines" 3. The Company's 2024 salary adjustment proposal for executives	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors
The 5th meeting of the 3rd term May 7, 2024	Distribution of 2023 directors' remuneration and employees' remuneration to the Company's directors and executives	Unanimously approved by all attending committee members	Submitted to the board of directors and unanimously approved by all attending directors

(V) Operation of the Sustainable Development Committee

1. Information of Sustainable Development Committee Members

Title	Name	Sustainability Expertise and Capabilities
Independent Director	Chao, Chang-Ju	Possessed professional competences in ESG assessment and accounting control
Independent Director	Lai, Hsin-Chung	Possessed professional competences in ESG assessment and accounting control
Independent Director	Chen, Ya-Chuan	Possessed professional competence in legal compliance, human rights protection, and employee rights protection

2. Responsibilities

- (1) Deliberation of the Company's sustainable development policies, strategies, and management approaches.
- (2) Supervision of the Company's promotion of sustainable development related matters and implementation programs.
- (3) Review of material sustainability information publicly disclosed in the Company's sustainability report and other documents, and submit reports to the board of directors.
- (4) Supervision of the Company's implementation of greenhouse gas inventory and verification planning.
- (5) Supervision of the Company's continuous attention to significant issues of concern to stakeholders, including shareholders, employees, customers, communities, and government agencies.

(6) Other matters instructed by resolution of the board of directors that should be handled by this committee.

3. Information on the Operation of the Sustainable Development Committee

(1) The Sustainable Development Committee of the Company consists of three members.

(2) The current committee members' term of office: August 7, 2023 to June 14, 2025. The Sustainable Development Committee held 1 meeting (A) in 2024. The qualifications and attendance of committee members are as follows:

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Ratio of Actual Attendance (%) (B/A)	Note
Independent Director (Convener)	Chao, Chang-Ju	1	0	100%	
Independent Director	Chen, Ya-Chuan	1	0	100%	
Independent Director	Lai, Hsin-Chung	1	0	100%	

Other items to be recorded:

The Company's Sustainable Development Committee meeting dates, contents of motions and resolutions in the most recent year, and the Company's handling of members' opinions:

Sustainable Development Committee term and date	Proposal Content	Resolution Result	The Company's handling of members' opinions
The 2nd meeting of the 1st term November 5, 2024	1. The Company's 2024 Sustainability Report and the status of greenhouse gas inventory 2. The Company's stakeholder communication status in 2024 3. The Company's risk management for 2024	Unanimously approved by all attending committee members	Report to the Board of Directors

(VI) Implementation Status of Sustainable Development and Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX

Listed Companies and Reasons

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development with a dedicated (or part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and supervised by the Board of Directors?	✓		In order to fulfill corporate social responsibility and value the rights and interests of stakeholders, the Company has established the “Sustainable Development Best-Practice Principles” and approved the establishment of the “Sustainable Development Committee” at the Board of Directors meeting on August 7, 2023 to formulate and supervise the Company’s sustainable development plans and establish its organizational charter. The Company’s Sustainable Development Committee faithfully fulfills its authority, reports to the Board of Directors at least once a year on implementation progress, achievements, and future work plans, while tracking implementation effectiveness to ensure that sustainable development strategies are fully implemented in the Company’s daily operations. For the information on the composition, responsibilities, and operation of the Sustainable Development Committee, please refer to page 34–35 of this annual report.	No difference.
II. Regarding whether the Company evaluates environmental, social, and corporate governance issues related to Company operations according to the principle of materiality, and establishes relevant risk management policies or strategies?	✓		The Company regularly evaluates potential risk changes in its operations based on industry characteristics and adjusts response strategies when appropriate. 1. Corporate Governance: The Company has established “Corporate Governance Best-Practice Principles,” “Code of Ethical Conduct,” and “Integrity Management Principles” in compliance with relevant regulations, and conducts operational activities in accordance with these principles.	No difference.

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>2. Society: The Company acknowledges and supports various international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Conventions. We place high importance on providing a safe working environment, promoting physical and mental health, and protecting labor rights. We have established various measures to prevent occupational hazards and fulfill our social responsibilities.</p> <p>3. Environment: The Company conducts supplier evaluations when transacting with environmentally conscious suppliers and is committed to selling eco-friendly and energy-efficient products.</p>	
<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system based on its industry characteristics?</p>	✓		The Company belongs to the retail distribution industry and is not involved in manufacturing products. Based on industry characteristics, the Company has established internal environmental management regulations, implemented energy conservation and carbon reduction measures, and formulated supplier management policies to evaluate whether its suppliers have records of environmental and social impact.	No difference.
<p>(II) Is the Company committed to improving energy efficiency and using renewable materials with low environmental impact?</p>	✓		The Company is committed to improving the efficiency of resource utilization, considering ecological impacts to reduce environmental footprints, and cooperating with the Environmental Protection Bureau's waste electrical and electronic equipment recycling system to decrease environmental burdens.	No difference.

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(III) Has the Company evaluated potential risks and opportunities of climate change on current and future business operations, and implemented countermeasures for climate-related issues?	✓		The Company is not a manufacturing enterprise. The potential risks we face are primarily environmental and operational. Extreme external environmental factors may threaten our operational sites and employee safety, potentially impacting company operations and increasing losses. The Company has implemented various physical security measures against such risks, including commercial fire insurance and regular maintenance of fire protection and monitoring systems, to manage sudden climate risks and reduce operational and equipment losses.	No difference.
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and established policies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, or other waste management?		✓	<p>The Company's policies regarding greenhouse gas reduction, water conservation, and other waste management are as follows:</p> <p>1. Greenhouse Gas: The Company operates in the retail channel industry with no production processes that generate emissions. The main energy consumption comes from air conditioning and lighting systems in headquarters and operational locations, all from purchased electricity. Therefore, to promote energy conservation, carbon reduction, and electricity savings, the Company actively upgrades to LED lighting and prioritizes the use of air conditioning equipment with eco-friendly energy-saving certifications. In 2024, the Company's self-inventory of greenhouse gas emissions (Scope 1 + Scope 2) totaled 351.9204 metric tons of CO₂e. The greenhouse gas emission intensity for 2024 was 0.0785888 metric tons of CO₂e per million dollars.</p> <p>2. Water Resource Management The Company's headquarters, office, and business locations primarily source water from the water utility company, which is exclusively for employee use and has no significant negative impact on water sources. Used domestic wastewater is legally discharged into the sewage system, and the Company regularly promotes water conservation policies to colleagues.</p>	The Company is currently developing relevant data statistics management policies and implementation plans, which will proceed according to government policy timelines.

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>The Company's water consumption in 2024 was 1,743 cubic meters.</p> <p>3. Waste Management</p> <p>Waste from the Company's headquarters, offices, and business locations consists entirely of household garbage, which is processed according to local government regulations. The Company implements recycling practices and continuously encourages colleagues to reduce waste generated during service processes.</p>	
<p>IV. Social Issues</p> <p>(I) Has the Company established relevant management policies and procedures in accordance with related regulations and international human rights conventions?</p>	✓		<p>To fulfill its corporate social responsibility and protect the basic human rights of all employees, customers, and stakeholders, the Company acknowledges and supports various international human rights conventions, including the "United Nations Universal Declaration of Human Rights," the "United Nations Global Compact," and the "International Labour Conventions." The Company prohibits any acts that infringe upon or violate human rights, ensuring that both internal and external members receive reasonable, equal, and dignified treatment. Implementation guidelines are as follows:</p> <p>1. Diversity, Inclusion and Equal Opportunity</p> <p>Diversity, Inclusion, and Equal Opportunity</p> <p>The Company prohibits unfair treatment in employment rights matters including hiring, remuneration and benefits, training opportunities, promotion, dismissal, or retirement based on an individual's race, class, language, thoughts, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, zodiac sign, or blood type. The Company is committed to creating a dignified and equal work environment free from discrimination and harassment.</p> <p>2. No Forced Labor</p> <p>The Company pledges to comply with all labor-related regulations and does not force or coerce any unwilling employee to perform labor activities. The Company has established employee attendance</p>	No difference.

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
			<p>management regulations and regularly reviews and monitors employee attendance.</p> <p>3. Prohibition of Child Labor To ensure compliance with sustainable development and protect children's physical and mental development as part of its social responsibility, the Company does not employ child labor under the age of 16.</p> <p>4. Harmonious Labor Relations To create a harmonious and mutually prosperous labor-management atmosphere, the Company provides diverse, open communication channels and regularly convenes labor-management meetings. The Company is committed to promoting harmony between labor and management, fostering positive labor relations, and effectively resolving differences of opinion.</p> <p>5. Building a Healthy and Safe Work Environment The Company values a safe and healthy work environment for employees. In accordance with applicable safety and health regulations, the Company engages contracted occupational medicine specialists and employs occupational health nurses to regularly review employee health and safety risks. Through the implementation of preventive measures, the Company continuously establishes a healthy and safe work environment. To provide employees with a dignified and equal work environment free from discrimination and harassment, the Company has established "Sexual Harassment Prevention Measures, Complaint, and Disciplinary Regulations" and the "Prevention, Complaint, and Disciplinary Regulations for Illegal Infringement of Duties." The Company has also set up a dedicated telephone line for sexual harassment complaints, posted sexual harassment prevention promotional stickers, and conducts annual online sexual harassment prevention training courses.</p>	

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflect these in employee remuneration?	✓		The Company has established and implemented reasonable employee welfare measures, including competitive remuneration, year-end bonuses and employee profit sharing distributed according to operational status, and a policy for regular salary adjustments based on performance. The Company also has an employee stock ownership trust where formal employees can contribute up to 6% of their total monthly salary, with the Company contributing an additional 35% of this amount to the employee's trust account for regular purchases of company stock. Additional benefits include holiday cash/gifts, birthday cash gifts, birthday leave, wedding congratulatory gifts and childbirth subsidies, employee continuing education subsidies, scholarships for children, classical music and cultural arts subsidies, and annual employee health examinations and group insurance. For more information on employee welfare measures, please refer to pages 86–88 of this annual report.	No difference.
(III) Does the Company provide employees with a safe and healthy work environment and conduct regular safety and health education for employees?	✓		<p>The Company provides employees with comprehensive educational training programs, implements a humanistic approach to care, and enhances colleagues' physical and mental health, enabling employees to stay informed about relevant issues. The Company regularly organizes employee health examinations and engages health service physicians from health examination companies to provide health consultation services during regular check-ups. Employees are encouraged to practice good self-health management to collectively create a healthy, harmonious, and safe work environment.</p> <p>In this year, the Company reported 3 occupational accidents involving 3 employees, which constitutes 0.68% of the total workforce. The Company will review and improve countermeasures, strengthen educational training, and continue to enhance occupational safety culture.</p> <p>With disaster prevention as our core philosophy, the Company conducts relevant safety drills every six months. As a result, there were no fatalities or injuries due to fire incidents among our colleagues this year.</p>	No difference.

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
(IV) Does the Company establish effective career development training programs for employees?	✓		To ensure employee talent development and achieve shared company goals, the Company has established comprehensive training programs based on management philosophy, long-term operational strategies, and talent development strategies. We provide an open and diverse learning environment through departmental transfers, job rotations, and on-the-job training, including new employee training, store manager training, music emotional impact training, and practical product training, as well as external educational training to enhance professional capabilities.	No difference.
(V) Regarding issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, does the company comply with relevant regulations and international standards, and has it established relevant policies and complaint procedures to protect consumer or customer rights?	✓		The Company requires all purchased goods to comply with relevant regulations and international standards. For consumer complaints, the Company has established clear customer complaint handling procedures. Consumers can file complaints through the 0800 customer service hotline or customer service mailbox, and the Company will process them according to internal standard operating procedures (SOP) and respond within the stipulated timeframe. If consumers still have concerns about the resolution, they may file a complaint through the competent authority or consumer protection organization, and the Company will fully cooperate with investigations and improvements. Additionally, the Company regularly reviews customer complaint cases and conducts internal analyses to optimize service quality and consumer experience, ensuring that customer rights continue to be protected.	No difference.
(VI) Has the Company established supplier management policies requiring suppliers to comply with regulations on environmental protection, occupational safety and health, or labor rights, and how are these policies implemented?	✓		The Company evaluates all new suppliers and collaborates with those who prioritize environmental protection, occupational safety and health, or labor rights regulations. In the future, depending on operational and practical needs, the Company will consider including clauses in supplier contracts stipulating that if suppliers violate corporate social responsibility policies, or have a significant impact on the environment and society, the Company will terminate or rescind the contract at any time.	No difference.

Items to be promoted	Status of implementation			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary Description	
V. Does the Company prepare a Sustainability Report or other reports disclosing non-financial information with reference to internationally accepted reporting standards or guidelines? Has the aforementioned report obtained assurance or verification opinions from third-party verification units?		✓	The Company plans to prepare a Sustainability Report with a framework based on the GRI Standards issued by the Global Reporting Initiative, disclosing relevant indicators and ESG information. We expect to complete the 2024 Sustainability Report by the end of August 2025.	According to the “Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies,” the Company does not meet the standards for preparing and filing a Sustainability Report.
VI. If the Company has established its own Sustainable Development Principles based on the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any differences between its operation and the established principles: No significant difference.				
VII. Other important information that helps to understand the implementation of sustainable development: The Company upholds its social responsibility by actively engaging in social care, promoting community development, and enhancing community identity. The measures adopted are as follows: 1. The Company allocates 2% of the previous year’s net income after tax for donations. 2. For the 2024 Hualien earthquake, the Company donated NT\$500,000 to the Hualien County Major Disaster Civilian Relief Donation Account to support disaster relief efforts. 3. In 2024, the Company donated over 200 home appliances to support various important social organizations, including the Children Are Us Foundation, Taiwan Fund for the Blind, Boyo Social Welfare Foundation, Kaohsiung Down Syndrome Association, Kaohsiung Palette Association, Kaohsiung Stray Animal Care Association, and Kaohsiung Harbor Police Friends Association. 4. In recent years, the Company has regularly sponsored academic research at National Sun Yat-sen University through academic feedback funds, with a donation amount of NT\$133,310 in 2024. 5. The Company has also been making regular donations to the Lingya Office of the Kaohsiung Harbor Police Friends Association to promote social welfare. In 2024, the donation amount was \$50,000. 6. In 2024, when the Taipei Sanmin store and Banqiao Far Eastern Zhongshan store opened, two flute and violin duet concerts were held, further promoting community cohesion and sowing the seeds of music appreciation.				

(VII) Climate-related Implementation Status

Items	Status of implementation								
1. Describe the board of directors’ and management’s supervision and governance of climate-related risks and opportunities.	<p>The Company established its Sustainable Development Committee in 2023 as the governance unit responsible for supervising and reviewing sustainability development policies and related matters. Committee members are appointed by resolution of the board of directors, consisting of three independent directors, and significant sustainability-related information is reported to the board of directors.</p> <p>In 2024, the “Identification and Assessment of Climate Change Risks and Opportunities” was conducted through meetings held by the corporate governance officer, department heads, and sustainability consultants. Each responsible unit developed corresponding strategies and set indicator targets based on the identification results. The identification results and disclosure items are expected to be reported to the Sustainable Development Committee and the board of directors in August 2025, along with the Sustainability Report.</p> <p>Additionally, on November 5, 2024, the corporate governance officer reported the greenhouse gas inventory status to the Sustainable Development Committee and the board of directors. The Company plans to establish a “Sustainable Development Group” under the Sustainable Development Committee, which will report subsequent greenhouse gas inventory status to the Sustainable Development Committee and the board of directors.</p>								
2. Describe how the identified climate risks and opportunities impact the company’s business, strategy, and finances (short term, medium term, long term).	<p>The organization has identified four risk issues and three opportunity issues for 2024, prioritizing those with high risk/opportunity levels. Risk issues include extreme temperature changes, flooding, reputational risk, insurance abandonment due to climate change; opportunity issues include low-carbon product and service opportunities, financial institution incentives – sustainable financial products, and adoption of more efficient transportation methods.</p> <table><tr><th>Risk Categories and Opportunities</th><th>Financial Impact -/+</th><th>Response Strategies</th></tr><tr><td>【Physical Risks】 Extreme Temperature Changes</td><td>Financial impact occurring in the short term - Various abnormal climate disasters may lead to supply risks, such as delayed shipments and distribution channel shortages, resulting in customer loss and decreased brand trust, thereby increasing operating costs and reducing operating revenue. - Damage to equipment at operating locations and interruption of product supply will also increase capital expenditures and impact revenue. - Supply chain adjustments to shipping schedules may defer some revenue recognition to future periods.</td><td>● Negotiating with original manufacturers for subsidies ● Coordinating inventory allocation with distributors</td></tr></table>			Risk Categories and Opportunities	Financial Impact -/+	Response Strategies	【Physical Risks】 Extreme Temperature Changes	Financial impact occurring in the short term - Various abnormal climate disasters may lead to supply risks, such as delayed shipments and distribution channel shortages, resulting in customer loss and decreased brand trust, thereby increasing operating costs and reducing operating revenue. - Damage to equipment at operating locations and interruption of product supply will also increase capital expenditures and impact revenue. - Supply chain adjustments to shipping schedules may defer some revenue recognition to future periods.	● Negotiating with original manufacturers for subsidies ● Coordinating inventory allocation with distributors
Risk Categories and Opportunities	Financial Impact -/+	Response Strategies							
【Physical Risks】 Extreme Temperature Changes	Financial impact occurring in the short term - Various abnormal climate disasters may lead to supply risks, such as delayed shipments and distribution channel shortages, resulting in customer loss and decreased brand trust, thereby increasing operating costs and reducing operating revenue. - Damage to equipment at operating locations and interruption of product supply will also increase capital expenditures and impact revenue. - Supply chain adjustments to shipping schedules may defer some revenue recognition to future periods.	● Negotiating with original manufacturers for subsidies ● Coordinating inventory allocation with distributors							

Items	Status of implementation		
	Risk Categories and Opportunities	Financial Impact -/+	Response Strategies
	【Physical Risks】 Flooding	Financial impact occurring in the short term - Damage to drainage systems or facilities can lead to moisture or water damage to goods, resulting in inventory losses (such as product write-offs), which may also cause business interruptions, affecting operating revenue and leading to operating losses. - Insurance premium adjustments will increase operating expenses. + Insurance claims will help partially offset operational impacts.	<ul style="list-style-type: none"> ● Insurance risk transfer mechanisms ● Inventory management
	【Physical Risks】 Climate change triggering insurance coverage abandonment	Financial impact occurring in the short term - Changes in insurance terms may lead to insufficient coverage and ineffective claims for post-disaster losses, resulting in increased operational costs. - Insurance premium adjustments will increase operating expenses. + Insurance claims will help partially offset operational impacts.	<ul style="list-style-type: none"> ● Insurance portfolio optimization
	【Transition Risk】 Goodwill – Goodwill risk	Financial impact occurring in the short term - Employee safety risks during typhoon days impact counter operations and customer perception, resulting in increased operational costs and reduced business revenue. - Transportation subsidies lead to increased operating expenses.	<ul style="list-style-type: none"> ● Transportation and shift management ● Service hours adjustment
	【Transformation Opportunity】 Product and service opportunities – low-carbon products	Financial impact occurring in the short term + The rapidly expanding green product market presents revenue growth opportunities if the company can effectively capture this market segment.	<ul style="list-style-type: none"> ● Product portfolio optimization ● Expanding low-carbon product categories ● Marketing and customer education ● Integration of policy resources
	【Transformation Opportunity】 Resource efficiency – Adopting more efficient transportation methods	Financial impact occurring in the short term - Increased capital expenditure due to warehouse location purchases. + Reduced warehouse rental fees, logistics transportation costs, decreasing operating expenses.	<ul style="list-style-type: none"> ● Short-chain logistics strategy

Items	Status of implementation		
	Risk Categories and Opportunities	Financial Impact -/+	Response Strategies
	【Transformation Opportunity】 Financial institution incentives – Sustainable finance products	Financial impact occurring in the short term - Increased operating costs due to ESG-related management expenses. + Increased cash inflow from financing activities as subsidiaries secure sustainable finance loan projects. + Obtaining sustainability-linked loans can lower interest rates, reduce interest expenses, thereby decreasing financial costs.	● Acquisition of sustainable financial products
3. Description of financial impacts from extreme climate events and transition actions.	<p><u>Financial impacts of extreme climate events</u></p> <ul style="list-style-type: none"> ● The imbalance and extremity of weather changes have led to frequent extreme temperature fluctuations, causing various abnormal climate disasters such as frozen continental rivers and road closures due to heavy rainfall. These events will affect original manufacturer shipping schedules, preventing vessels from docking and unloading cargo, disrupting logistics, and ultimately delaying product deliveries. Failure to properly manage supply risks could result in delayed shipments and channel stockouts, leading to customer attrition and decreased brand trust, thereby increasing operational costs and reducing operating revenue. ● Increased frequency of typhoons and heavy rainstorms may not only raise the risk of flooding but could also cause moisture or water damage to goods due to damaged drainage systems or facilities, resulting in inventory losses (such as scrapped merchandise). In addition, inadequate management and lack of regular equipment maintenance may lead to business interruption, affecting operating revenue and resulting in business losses. ● Due to the increased frequency of extreme weather events such as fires and floods, risk awareness in the insurance market has risen. Foreign reinsurance companies no longer renew insurance for goods reservation clauses, forcing companies to bear higher insurance costs. If not properly addressing changes in insurance conditions, companies may face inadequate coverage and ineffective claims for post-disaster losses, resulting in increased operating costs. <p><u>Financial Impact of Transformation Initiatives</u></p> <p>The potential financial impacts caused by various climate transition actions are the same as the “financial impacts” in the previous item “climate risks and opportunities,” with the main inputs being increased operating expenses (insurance premiums, transportation allowances, ESG-related management expenses) and increased capital expenditures (acquisition of warehouse locations). If insurance claims are filed for climate-related disaster damages, they can help partially offset operational impacts; short-chain logistics strategies are expected to reduce warehouse rental costs and carbon emissions; while capturing the green product market</p>		

Items	Status of implementation
	can contribute to increased operating revenue. At the same time, investments in transition actions may enable the Company to obtain sustainability-linked loans, resulting in lower loan interest rates and reduced interest expenses, thereby decreasing financial costs and enhancing the overall financial resilience and sustainability performance of the Group.
4. Describing how the process of identifying, evaluating, and managing climate risks is integrated into the overall risk management system.	The Company established the Sustainable Development Committee at the 8th meeting of the 11th board of directors on August 7, 2023. Through an ESG framework, the committee promotes environmental, social, and corporate governance initiatives, supervises risk management, and strengthens the Company's strategies for mitigating and adapting to climate change impacts. The Company has also established "Risk Management Policies and Procedures." To address the diverse challenges brought on by climate change, GSeven Co., Ltd. has gathered information on global climate change trends, domestic and international regulations, and industry-related developments. For this identification process, the Company has compiled a list of 7 transition risks, 6 physical risks, and 8 opportunities, which serve as the foundation for evaluating climate impacts. Based on the "probability of occurrence" and "financial impact level" of each risk/opportunity issue, GSeven Co., Ltd. quantifies their risk impact and opportunity influence to determine risk and opportunity levels. The Company also evaluates the potential timeframe for occurrence as short term (1–3 years), medium term (3–6 years), or long term (over 6 years). Corresponding strategies and action plans are formulated to ensure alignment between operational resilience and sustainable development strategies. Additionally, the Company continuously tracks global policy and market changes to adjust countermeasures in a timely manner.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts should be described.	As of the printing date of the annual report, the Company has not yet used scenario analysis to evaluate climate change risk resilience.
6. If the Company has a transition plan for managing climate-related risks, please describe the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks.	As of the printing date of the annual report, the Company is still in the process of formulating its transition plan for climate-related risks.
7. If the Company uses internal carbon pricing as a planning tool, it should explain the basis for establishing the price.	As of the date of publication of the annual report, the Company does not use internal carbon pricing as a planning tool.

Items	Status of implementation
8. If climate-related targets have been established, the Company should describe the activities covered, greenhouse gas emission scopes, planning timeline, annual progress toward achievement, and other relevant information. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the Company should explain the source and quantity of carbon reduction credits offset or the quantity of RECs.	As of the printing date of the annual report, the Company has not established any climate-related targets.
9. Greenhouse gas inventory, assurance status, reduction targets, strategies, and specific action plans (detailed in sections 9-1 and 9-2 below).	To establish a comprehensive and effective climate change management mechanism, the Company plans to complete the parent company's greenhouse gas inventory in the first quarter of 2026 according to ISO 14064-1: 2018 organizational greenhouse gas inventory operations. In the future, the Company will further discuss and establish reduction targets based on total emissions and continue to monitor the implementation of climate-related information.

9-1. Greenhouse gas inventory and assurance status for the past two years

(1) Greenhouse gas inventory information

Please describe the greenhouse gas emissions (metric tons CO₂e), emission intensity (metric tons CO₂e/million dollars), and data coverage scope for the past two years.

The Company currently does not have relevant statistical data on greenhouse gas emissions.

(2) Greenhouse gas assurance information

Description of the assurance status for the most recent two years as of the printing date of the annual report, including the assurance scope, assurance institution, assurance standards, and assurance opinions.

The Company currently does not have relevant statistical data on greenhouse gas emissions.

9-2. Greenhouse gas reduction targets, strategies, and specific action plans

State the greenhouse gas reduction base year and its data, reduction targets, strategies, and specific action plans, along with the achievement status of reduction targets.

The Company has not yet established greenhouse gas reduction targets and strategies.

(VIII) Implementation of Integrity Management and Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reasons.

Evaluation Items	Operational Status (Note)			Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No	Summary Description	
I. Formulation of Integrity Management Policies and Programs				
(I) Has the Company established an integrity management policy approved by the Board of Directors, and clearly stated the integrity management policies, practices, and commitments from the Board of Directors and senior management to actively implement such policies in its regulations and external documents?	✓		The Company has established “Integrity Management Principles” and “Procedures and Guidelines for Ethical Corporate Management,” which were established and amended by resolution of the Board of Directors and then reported to the regular shareholders’ meeting. These are disclosed on the Market Observation Post System and the Company’s official website, stipulating that directors, executives, and employees must comply with legal regulations when executing business. The Board of Directors and management are committed to actively implementing these principles and genuinely following them in both internal management and external business activities.	No difference.
(II) Has the Company established a risk assessment mechanism for unethical behavior, regularly analyzing and evaluating business activities within its operational scope that have higher risks of unethical behavior, and accordingly formulated preventive measures against unethical conduct that at least cover the preventive measures for the acts specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established relevant measures to prevent high-risk unethical activities and requires major suppliers to sign integrity management declarations to prevent higher risks of unethical conduct. The Company’s prevention program covers preventive measures for the following behaviors: 1. Bribery and acceptance of bribes. 2. Offering illegal political contributions. 3. Improper charitable donations or sponsorships. 4. Offering or accepting unreasonable gifts, hospitality, or other improper benefits. 5. Infringing on business secrets, trademarks, patents, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Directly or indirectly damaging the rights, health, and safety of consumers or other stakeholders during the research and development, procurement, manufacturing, provision, or sale of products and services.	No difference.

Evaluation Items	Operational Status (Note)			Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No	Summary Description	
(III) Does the Company clearly stipulate operating procedures, behavioral guidelines, disciplinary actions for violations, and grievance systems within its unethical conduct prevention program, and does it effectively implement and periodically review and revise the aforementioned program?	✓		The Company has established “Procedures and Guidelines for Ethical Corporate Management” that all employees must comply with, and violations are subject to disciplinary action according to regulations.	No difference.
II. Implementation of Ethical Corporate Management				
(I) Does the Company evaluate the ethical records of its business counterparties and specify ethical conduct clauses in contracts with them?	✓		The Company signs integrity management declarations with major suppliers, requiring that business dealings with suppliers maintain ethical business practices. If violations occur, liquidated damages will be paid.	No difference.
(II) Does the company establish a dedicated unit under the board of directors to promote corporate integrity management and regularly (at least once a year) report to the board of directors on its integrity management policies, prevention plans for dishonest behavior, and supervision implementation?	✓		The Company, in order to establish sound integrity management, has assigned the corporate governance officer to be responsible for formulating integrity management policies and prevention programs, as well as supervising their implementation. The Audit Office conducts audits in accordance with internal control regulations.	No difference.

Evaluation Items	Operational Status (Note)			Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No	Summary Description	
(III) Has the company formulated a policy to prevent conflicts of interest, provided appropriate channels for statements, and effectively implemented it?	✓		The Company has established “Procedures and Guidelines for Ethical Corporate Management.” If there is a conflict of interest in business operations, the relevant circumstances should be reported to the supervisor, and the direct supervisor should provide appropriate guidance. When conflicts of interest arise in board meeting proposals, directors shall recuse themselves from discussion and leave the meeting without participating in voting.	No difference.
(IV) Has the company established effective accounting systems and internal control systems to implement integrity management? Does the internal audit unit formulate relevant audit plans based on the risk assessment results of dishonest behavior, and accordingly audit compliance with the prevention plan for dishonest behavior, or commission a CPA to perform the audit?	✓		The Company has established effective accounting systems and internal control systems, and has set up an Audit Office directly under the board of directors. Each year, audits are conducted according to the “Annual Audit Plan,” including follow-up tracking of deficiencies and improvements. The Audit Office regularly reports audit results to independent directors and the board of directors, enabling management to understand the implementation status of the Company’s internal control system, thereby achieving the effectiveness of the system’s design and implementation.	No difference.
(V) Does the Company regularly conduct internal and external education and training on ethical corporate management?	✓		The Company arranges periodic internal and external training related to ethical corporate management to emphasize the importance of integrity management, which is also included as one of the performance evaluation indicators.	No difference.
III. Implementation of the Company’s Whistleblowing System				
(I) Has the Company established specific whistleblowing and reward systems, convenient whistleblowing channels, and assigned appropriate personnel to handle reported cases?	✓		The Company has established a dedicated whistleblowing mailbox, with reports simultaneously sent to independent directors, the corporate governance officer, and the audit head. The identity of whistleblowers and the content of reports are kept strictly confidential, and designated personnel conduct investigations based on the reported information.	No difference.

Evaluation Items	Operational Status (Note)			Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No	Summary Description	
(II) Has the Company established standard operating procedures for investigating reported cases, follow-up measures to be taken after investigations are completed, and related confidentiality mechanisms?	✓		The Company has established “Procedures for Reporting Illegal, Unethical, or Dishonest Conduct.” Records of case acceptance, investigation processes, and results are documented and preserved. The identity of whistleblowers and the content of reports are kept strictly confidential. If an investigation reveals significant violations or potential for substantial damage, the reported incident, handling method, and subsequent review and improvement measures shall be reported to the board of directors.	No difference.
(III) Has the Company implemented measures to protect whistleblowers from improper treatment as a result of their reporting?	✓		The Company commits to and protects whistleblowers from dismissal, demotion, salary reduction, damage to their legal or contractual rights, or other adverse treatments as a result of their reporting. The Company also maintains confidentiality responsibilities toward whistleblowers. Both the case manager and investigation team are strictly prohibited from disclosing case details to unauthorized individuals during and after the investigation. Related materials must be handled and archived as confidential documents to protect whistleblowers from inappropriate harassment or retaliation resulting from their reports.	No difference.
IV. Enhancement of Information Disclosure Has the Company disclosed the content of its Integrity Management Principles and their implementation results on its website and the Market Observation Post System?	✓		The Company has established “Integrity Management Principles” and disclosed them on the Company’s official website and the Market Observation Post System.	No difference.
V. If the Company has established its own Integrity Management Principles based on the “Integrity Management Principles for TWSE/TPEX Listed Companies,” please describe any differences between their operation and the established principles: No significant difference.				
VI. Other important information that helps understand the Company’s integrity management operation (such as the Company’s review and revision of its established Integrity Management Principles): None.				

(IX) Other important information that enhances understanding of the Company's corporate governance operations

1. Corporate governance principles and related regulations: The Company has established the Code of Ethical Conduct, Integrity Management Principles, Internal Control System, Procedures for Acquisition or Disposal of Assets, Endorsement and Guarantee Procedures, Procedures for Lending Funds to Others, Rules of Procedure for Board of Directors Meetings, Board Performance Evaluation Methods, Remuneration Committee Charter, Audit Committee Charter, Corporate Governance Best-Practice Principles, Procedures and Guidelines for Ethical Corporate Management, Sustainable Development Committee Charter, and Risk Management Policies and Procedures, among other related regulations.
2. The Company's official website has established an Investor Relations section, which discloses monthly revenue and quarterly financial statements.
3. Directors' continuing education in 2024:

Title/Name	Date of Education	Organizing Institution	Course Name	Hours of Education	Total Hours of Education for the Year
Chairman Lu, Chien-San	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	6H
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	
Director Yu, Kun-Hsi	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	6H
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	
Director Su, Tsai-Chi	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	6H
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	
Representative of Institutional Director Hsu, Liang-Chung	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	6H
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	
Independent Director Chen, Ya-Chuan	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	6H
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	

Title/Name	Date of Education	Organizing Institution	Course Name	Hours of Education	Total Hours of Education for the Year
Independent Director Chao, Chang-Ju	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	12H
	May 8, 2024	Securities and Futures Institute	Risks and Precautions of AI for Enterprises	3H	
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	
	August 7, 2024	Securities and Futures Institute	2024 Global Economic Outlook	3H	
Independent Director Lai, Hsin-Chung	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	6H
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	

4. To strengthen corporate governance, the Company has established the position of corporate governance officer in accordance with Articles 20 to 25 of the “Guidelines for the Establishment and Exercise of Powers of the Board of Directors,” which was announced on May 7, 2019. The current corporate governance officer is Mr. Ho Cheng-Feng, Vice President of the General Administration Division.

(1) Scope of Authority and Key Business Implementation Focus

- A. Legally handling matters related to board and shareholders’ meetings.
- B. Assisting with meeting procedures and legal compliance matters for board of directors and shareholders’ meetings.
- C. Assisting directors with their appointment and continuing education.
- D. Providing directors with information necessary for business execution.
- E. Assisting directors in complying with laws and regulations.
- F. Other matters specified in the articles of incorporation or contracts.

(2) Corporate Governance Officer’s Continuing Education in 2024:

Title/Name	Date of Education	Organizing Institution	Course Name	Hours of Education	Total Hours of Education for the Year
Vice President Ho Cheng-Feng (Corporate Governance Officer and Chief Financial Officer)	March 14, 2024	Securities and Futures Institute	Corporate Management and Risk Response Management	3H	48H
	March 18, March 27, 2024	Accounting Research and Development Foundation	Initial Training Program for Accounting Officers	30H	
	August 6, 2024	Securities and Futures Institute	Challenges in Control Rights, Management Corruption and Financial Statement Misrepresentation, Employee Remuneration Design and Implementation	3H	
	September 26, 2024 September 27, 2024	Accounting Research and Development Foundation	Continuing Education Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12H	

(X) Implementation Status of Internal Control System

1. Declaration of Internal Control

GSeven Co., Ltd.

Declaration of Internal Control System

Date: March 11, 2025

Declaration of Internal Control System

Based on the results of our self-assessment, the Company hereby declares the following regarding our Internal Control System for 2024:

- I. The Company's board of directors and management acknowledge their responsibility for establishing, implementing, and maintaining the Internal Control System, which has been duly established. The purpose of this system is to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. An Internal Control System has inherent limitations. No matter how perfectly designed, an effective Internal Control System can only provide reasonable assurance regarding the achievement of the three objectives mentioned above. Moreover, the effectiveness of an Internal Control System may change due to alterations in the environment and circumstances. However, our Internal Control System includes a self-monitoring mechanism whereby once a deficiency is identified, the Company immediately takes corrective action.
- III. The Company has evaluated the design and operating effectiveness of its Internal Control System based on the judgment criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment criteria adopted in the "Regulations" categorize the Internal Control System into five components according to the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component further includes several items. For the aforementioned items, please refer to the provisions of the "Regulations."
- IV. The Company has adopted the aforementioned judgment criteria for Internal Control Systems to evaluate the design and operating effectiveness of its Internal Control System.
- V. Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that, as of December 31, 2024, its Internal Control System (including supervision and management of subsidiaries), including the design and implementation of internal controls related to understanding the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, and transparency of reporting, and compliance with relevant regulations and laws, is effective and can reasonably ensure the achievement of the above objectives.

VI. This Declaration will be a major component of the Company's annual report and prospectus, and will be made public. If the disclosed content contains any falsehood, concealment, or other illegal circumstances, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Declaration was approved by the Company's board of directors on March 11, 2025. Among the seven directors present, none expressed opposing opinions, and all others agreed to the content of this Declaration, which is hereby declared.

GSeven Co., Ltd.

Chairman: Lu, Chien-San

President: Hsieh Shu-Min

2. Engagement of CPAs for Special Audits of the Internal Control System: None.

(XI) Major resolutions of shareholders' meetings and board meetings in the most recent year and up to the publication date of the annual report

1. Major resolutions of the 2024 shareholders' meetings and up to the printing date of the annual report

Date of Shareholders' Meeting	Contents of Important Resolutions
June 18, 2024	<p>1. Ratification of the Company's 2023 financial statements. Implementation status: The resolution was approved. The relevant financial statements have been filed with and announced to the competent authorities in accordance with the Company Act and other relevant regulations.</p> <p>2. Ratification of the Company's 2023 earnings distribution plan Implementation status: The resolution was approved. The Company distributed cash dividends of NT\$79,167,228, allocated according to the shareholding ratio recorded in the shareholder register on the ex-dividend date, with NT\$2.0 distributed per share.</p> <p>3. Amendment to the Company's Articles of Incorporation. Implementation status: The resolution was approved, and related information was updated accordingly.</p>

2. Major Resolutions of the Board of Directors in 2024 and up to the printing date of the annual report

Date of Board Meeting	Contents of Important Resolutions
January 29, 2024	<ol style="list-style-type: none"> 1. Approval of the promotion of the Company's President and Chief Operating Officer. 2. Approval of the Company's application for renewal and additional credit facilities with its banking partners. 3. Approval of the change of custodian for the Company's relevant seals. 4. Approval of the Company's year-end bonus distribution to company executives for 2023.
March 14, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's 2023 distribution of employee remuneration and director remuneration. 2. Approval of the Company's 2023 business report and financial statements. 3. Approval of the Company's 2023 earnings distribution proposal. 4. Approval of the amendment to the Company's Articles of Incorporation. 5. Approval of the revision of the Company's regulations for director remuneration payment. 6. Approval of the Company's application for renewal and additional credit facilities with its banking partners. 7. Approval of the Company's lending limit to subsidiaries. 8. Approval of the Company's endorsement and guarantee for subsidiaries. 9. Approval of the Company's 2023 self-assessment "Declaration of Internal Control" for the Internal Control System. 10. Approval of the evaluation of independence and competence of the certifying CPAs. 11. Approval of the appointment of certifying CPAs for 2024. 12. Approval of non-assurance services to be provided by CPAs, their accounting firms, and affiliates to the Company and its subsidiaries. 13. Approval of matters related to the Company's 2024 regular shareholders' meeting. 14. Approval of matters related to shareholder proposal rights for the Company's 2024 regular shareholders' meeting. 15. Approval of the Company's proposed real estate acquisition transaction. 16. Approval of the Company's 2024 salary adjustment for executives.
May 7, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's financial statements for the first quarter of 2024. 2. Approval of the Company's directors and executives receiving director remuneration and employee remuneration for 2023. 3. Approval of the Company's lending limit to subsidiaries.
August 6, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's financial statements for the second quarter of 2024. 2. Approval of the Company's application for renewal and additional credit facilities with its banking partners. 3. Approval of the Company's lending limit to subsidiaries. 4. Approval of the appointment of the Company's head of audit.
November 5, 2024	<ol style="list-style-type: none"> 1. Approval of the Company's financial statements for the third quarter of 2024. 2. Approval of the change of custodian for the Company's relevant seals. 3. Approval of the Company's lending limit to subsidiaries. 4. The Company's and its subsidiaries' "Annual Audit Plan" for 2025. 5. Approval of amendments to various corporate governance regulations of the Company.

Date of Board Meeting	Contents of Important Resolutions
December 11, 2024	<ol style="list-style-type: none"> 1. Approval of authorizing the Chairman to purchase real estate. 2. Approval of the Company's 2025 budget. 3. Approval of the amendment to the Company's "Procedures for Acquisition or Disposal of Assets." 4. Amendment to the Company's "Internal Control System" and "Internal Audit System."
January 21, 2025	<ol style="list-style-type: none"> 1. Distribution of year-end bonuses to executives of the Company for 2024. 2. The Company's provision of endorsements/guarantees for subsidiaries. 3. Application for renewal of the Company's banking relationships and increase of credit limits. 4. Amendment of the Company's "Articles of Incorporation."
March 11, 2025	<ol style="list-style-type: none"> 1. The Company's 2024 salary adjustment proposal for executives. 2. Amendment of the Company's "Directors' Remuneration Payment Method." 3. Distribution of employee remuneration and directors' remuneration for 2024. 4. The Company's 2024 business report and financial statements. 5. The Company's 2024 earnings distribution proposal. 6. Proposal for capital increase by retained earnings and issuance of new shares. 7. Evaluation of the independence and suitability of the Company's certifying CPAs. 8. Appointment of CPAs for 2025. 9. Pre-approval of non-assurance services to be provided by CPAs, their accounting firms, and affiliates to the Company and its subsidiaries. 10. The Company's "Declaration of Internal Control" for 2024 internal control self-assessment. 11. Change of the Company's seal custodian. 12. Proposal for the Company's fund lending to subsidiaries. 13. Amendment to the Company's "Articles of Organization for Employee Stock Ownership Plan." 14. Amendment to the Company's "Employee Stock Ownership Trust Savings Regulations." 15. Election of the Company's 12th Board of Directors. 16. Release of non-competition restrictions for the 12th Board of Directors and their representatives. 17. Determination of the date, location, method, and related matters for the Company's 2025 Regular Shareholders' Meeting. 18. Matters regarding acceptance of shareholder proposals for the Company's 2025 regular shareholders' meeting. 19. Matters regarding acceptance of shareholder nominations for director (including independent director) candidates for the Company's 2025 Regular Shareholders' Meeting. 20. Changes to the Company's deputy spokesperson position.

(XII) In the most recent year and up to the printing date of the annual report, there were no situations where directors had dissenting opinions on important resolutions passed by the board of directors that were recorded or stated in writing: No such situation.

IV. Information on CPA Fees

Units: NT\$ thousands

Name of CPA Firm	Name of CPA	CPA Audit Period	Audit Fees	Non-audit Fees					Note
				System design	Business registration	Human resources	Other matters	Subtotal	
PwC Taiwan	Liao, A-Shen	January 1, 2024 December 31, 2024	1,950	–	15	40	380	435	Others: Transfer Pricing amount NT\$200 thousand; Tax Attestation amount NT\$180 thousand
	Wang, Chun-Kai								

(I) Change of accounting firm with audit fees in the year of change being less than those of the previous year: None.

(II) Audit fees decreased by more than ten percent compared to the previous year: None.

V. Information on Change of CPA

(I) Regarding the Former CPA

Date of Change	From the first quarter of 2023		
Reason and Explanation	Due to internal organizational and personnel adjustments in the CPA firm		
Explanation of client or CPA termination or non-acceptance of engagement	Parties involved	CPA	Client
	Situation	Not applicable	
	Active termination of engagement		
	Non-acceptance of (continuing) engagement		
Audit reports with opinions other than unqualified issued within the most recent two years and reasons	Not applicable		
Whether there are disagreements with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Other matters
	None	✓	
	Note: No such situation		
Other disclosure matters (Items that should be disclosed according to Article 10, Paragraph 6, Subparagraph 1, Items 4 to 9 of these Regulations)	None		

(II) Regarding the successor CPA

Name of CPA firm	PwC Taiwan
Name of CPA	Wang, Chun-Kai
Date of appointment	On March 13, 2023, the board of directors approved the change of the Company's certifying CPA – To accommodate internal rotation at PricewaterhouseCoopers Taiwan, starting from 2023, Wang Chun-Kai CPA will serve as the CPA for the Financial Report.
Pre-engagement consultations and results regarding accounting treatment methods or accounting principles for specific transactions and possible opinions to be issued on financial reports	Not applicable
Written opinions of the successor CPA on matters where there are disagreements with the predecessor CPA	Not applicable

(III) The predecessor CPA's reply to the matters stipulated in Article 10, Paragraph 6, Subparagraph 1 and Subparagraph 2, Item 3 of these Regulations: None.

VI. Whether the Company's Chairman, President, or executive responsible for financial or accounting affairs has been employed by the certifying CPA firm or its affiliated enterprises within the past year

No such situation.

VII. Changes in shareholding and pledge of shares by directors, executives, and major shareholders in the most recent year and as of the printing date of the annual report

(I) Changes in shareholding and pledge of shares by directors, executives, and major shareholders

Unit: shares

Title	Name	2024		Year to date April 21, 2025		Note
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	
Chairman	Lu, Chien-San	—	—	—	—	
Director	Yu Kun-Yang	(168,000)	—	(42,000)	—	
Director	Su, Tsai-Chi	32,207	—	—	—	
Institutional director and major shareholder with 10% shareholding 10% major shareholder	Representative Hsu Liang-Chung, Ji Li Investment Co., Ltd.	—	—	—	—	
Independent Director	Chao, Chang-Ju	—	—	—	—	
Independent Director	Chen, Ya-Chuan	—	—	—	—	
Independent Director	Lai, Hsin-Chung	—	—	—	—	
President	Hsieh Shu-Min	160,000	—	—	—	Inaugurated on January 1, 2024
Vice President	Ho Cheng-Feng	—	—	—	—	Inaugurated on January 1, 2024
Chief Financial Officer						
Assistant Vice President	Shen Chih-Kai	11,150	—	—	—	Inaugurated on January 1, 2024
10% major shareholder	Ji Sheng Shi Co., Ltd.	—	—	446,000	—	Inaugurated on January 22, 2025

(II) Share Transfer Information

There is no share transfer to related parties by the Company's directors, executives, and shareholders who hold more than 10% of shares.

(III) Information on share pledge

There is no share pledged to related parties by the Company's directors, executives, and shareholders who hold more than 10% of shares.

VIII. Relationship Information Among Top Ten Shareholders

April 21, 2025 Unit: thousand shares; %

Name	Shares held by the individual		Shares held by spouse and minor children		Use of other persons' names to hold shares in aggregate		Names and relationships of top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relations with customs	
Ji Li Investment Co., Ltd.	6,961	17.59%	-	0%	-	0%	Li Li-Nien	Chairman	None
Responsible person: Li Li-Nien	-	0%	620	1.57%	-	0%	Wonderson Co., Ltd. Li Sheng Co., Ltd. Chien Chun Co., Ltd. Ji Sheng Shi Co., Ltd.	Chairman Chairman Chairman Chairman	None
Ji Sheng Shi Co., Ltd.	4,044	10.22%	-	0%	-	0%	Li Li-Nien	Chairman	None
Responsible person: Li Li-Nien	-	0%	620	1.57%	-	0%	Ji Li Investment Co., Ltd. Wonderson Co., Ltd. Chien Chun Co., Ltd. Li Sheng Co., Ltd.	Chairman Chairman Chairman Chairman	None
Wonderson Co., Ltd.	3,917	9.89%	-	0%	-	0%	Li Li-Nien	Chairman	None
Responsible person: Li Li-Nien	-	0%	620	1.57%	-	0%	Ji Li Investment Co., Ltd. Li Sheng Co., Ltd. Chien Chun Co., Ltd. Ji Sheng Shi Co., Ltd.	Chairman Chairman Chairman Chairman	None
Li Sheng Co., Ltd.	3,916	9.89%	-	0%	-	0%	Li Li-Nien	Chairman	None
Responsible person: Li Li-Nien	-	0%	620	1.57%	-	0%	Ji Li Investment Co., Ltd. Wonderson Co., Ltd. Chien Chun Co., Ltd. Ji Sheng Shi Co., Ltd.	Chairman Chairman Chairman Chairman	None
Chien Chun Co., Ltd.	3,770	9.53%	-	0%	-	0%	Li Li-Nien	Chairman	None
Responsible person: Li Li-Nien	-	0%	620	1.57%	-	0%	Ji Li Investment Co., Ltd. Wonderson Co., Ltd. Li Sheng Co., Ltd. Ji Sheng Shi Co., Ltd.	Chairman Chairman Chairman Chairman	None
Ji Yue Investment Co., Ltd.	2,944	7.44%	-	0%	-	0%	Yu, Kun-Hsi	Responsible person	None
Responsible person: Yu, Kun-Hsi	965	2.44%	-	0%	-	0%	Ji Yue Investment Co., Ltd.	Responsible person	None
Shean Design Co., Ltd.	1,601	4.04%	-	0%	-	0%	Lin, Hsueh-Hsien	Responsible person	None
Responsible person: Lin, Hsueh-Hsien	-	0%	-	0%	-	0%	Shean Design Co., Ltd.	Responsible person	None
Shih Yang Investment Co., Ltd.	1,517	3.83%	-	0%	-	0%	Lin, Shih-Ching	Responsible person	None
Responsible person: Lin, Shih-Ching	2	0.01%	100	0.25%	-	0%	Shih Yang Investment Co., Ltd.	Responsible person	None
Yu, Kun-Hsi	965	2.44%	-	0%	-	0%	Ji Yue Investment Co., Ltd.	Responsible person	None
Yu, Kun-Nan	936	2.36%	-	0%	-	0%	Yu, Kun-Hsi	Brothers	None

IX. Shareholding of the Company, directors, executives and enterprises directly or indirectly controlled by the Company in the same invested enterprise, and the calculation of comprehensive shareholding percentage

No such situation.

Three. Fundraising Status

I. Capital and shares

(I) Source of capital

1. History of capital formation

April 21, 2025 Unit: thousand shares; NT\$ thousand

Year Month	Issuance Price	Authorized share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for share payment	Other matters
October 1994	10	500	5,000	500	5,000	Establishment in cash	None	Note 1
July 2002	10	3,000	30,000	3,000	30,000	Capital increase in cash	None	Note 2
June 2006	10	9,000	90,000	9,000	90,000	Capital increase in cash	None	Note 3
October 2006	10	17,000	170,000	17,000	170,000	Capital increase in cash	None	Note 4
June 2007	10	26,500	265,000	26,500	265,000	Capital increase in cash	None	Note 5
June 2008	10	29,000	290,000	29,000	290,000	Capital increase in cash	None	Note 6
July 2011	10	30,000	300,000	30,000	300,000	Capital increase in cash	None	Note 7
June 2017	10	60,000	600,000	32,860	328,600	Capital increase in cash	None	Note 8
October 2021	10	60,000	600,000	36,639	366,389	Capitalization of retained earnings	None	Note 9
March 2022	10	60,000	600,000	36,645	366,448	Corporate bonds converted to common shares	None	Note 10
August 2022	10	60,000	600,000	36,701	367,008	Corporate bonds converted to common shares	None	Note 11
November 2022	10	60,000	600,000	37,249	372,488	Corporate bonds converted to common shares	None	Note 12
March 2023	10	60,000	600,000	37,638	376,375	Corporate bonds converted to common shares	None	Note 13
May 2023	10	60,000	600,000	37,920	379,196	Corporate bonds converted to common shares	None	Note 14
August 2023	10	60,000	600,000	38,177	381,766	Corporate bonds converted to common shares	None	Note 15
November 2023	10	60,000	600,000	39,584	395,836	Corporate bonds converted to common shares	None	Note 16

Note 1: Registration Date: October 27, 1994, Document No. Gao-Shi-Jian-Shue-Er-Zi No. 11798600.

Note 2: Registration Date: July 4, 2002, Document No. Gao-Shi-Fu-Jian-Er-Goun-Zi No. 9109018201.

Note 3: Registration Date: June 28, 2006, Document No. Gao-Shi-Fu-Jian-Er-Goun-Zi No. 09500590880.

Note 4: Registration Date: October 23, 2006, Document No. Gao-Shi-Fu-Jian-Er-Goun-Zi No. 09500717750.

Note 5: Registration Date: June 27, 2007, Document No. Gao-Shi-Fu-Jian-Er-Goun-Zi No. 09600588570.

Note 6: Registration Date: June 30, 2008, Document No. Gao-Shi-Fu-Jian-Er-Goun-Zi No. 09700580630.

Note 7: Registration Date: July 11, 2011, Document No. Gao-Shi-Fu-See-Wei-Jing-Shang-Goun-Zi No. 10001268130.

Note 8: Registration Date: June 22, 2017, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 10652249510.

Note 9: Registration Date: October 22, 2021, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11054021700.

Note 10: Registration Date: March 22, 2022, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11151042800.

Note 11: Registration Date: August 23, 2022, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11153195100.

Note 12: Registration Date: November 22, 2022, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11154444500.

Note 13: Registration Date: March 228, 2023, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11251123800.

Note 14: Registration Date: May 22, 2023, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11251851800.

Note 15: Registration Date: August 21, 2023, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11253156500.

Note 16: Registration Date: November 29, 2023, Document No. Gao-Shi-Fu-Jing-Shang-Goun-Zi No. 11254516300.

2. Type of shares

Type of shares	Authorized share capital			Note
	Outstanding shares	Unissued shares	Total	
Common shares	39,583,614 shares	20,416,386 shares	60,000,000 shares	Stocks listed on Taipei Exchange

3. Approved for the issuance of securities through the shelf registration system

No such situation.

(II) List of major shareholders

April 21, 2025 Unit: Shares; %

Shares Name of major shareholder	Number of shares held	Shareholding percentage
Ji Li Investment Co., Ltd.	6,960,945	17.59%
Ji Sheng Shi Co., Ltd.	4,044,023	10.22%
Wonderson Co., Ltd.	3,916,635	9.89%
Li Sheng Co., Ltd.	3,915,660	9.89%
Chien Chun Co., Ltd.	3,770,411	9.53%
Ji Yue Investment Co., Ltd.	2,943,600	7.44%
Shean Design Co., Ltd.	1,600,775	4.04%
Shih Yang Investment Co., Ltd.	1,517,000	3.83%
Yu, Kun-Hsi	965,094	2.44%
Yu, Kun-Nan	935,900	2.36%

(III) Dividend policy and implementation status

1. Company dividend policy as stated in the Articles of Incorporation

Article 24 of the Articles of Incorporation stipulates

The Company shall distribute surplus or make up for losses at the end of each fiscal year. When distributing earnings, the Company shall estimate and retain the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. However, this does not apply if the legal reserve has reached the same amount as paid-in capital. If the earnings are distributed in cash, a resolution shall be adopted by the Board of Directors; if the earnings are distributed in the form of new shares, a resolution shall be adopted by the shareholders' meeting in accordance with the regulations.

The Company's Board of Directors may resolve to distribute dividends, bonuses, capital reserves, or legal reserves, in whole or in part, through cash distribution, subject to the approval of more than two-thirds of the directors and a majority vote of the attending directors. Such resolution shall be reported to the shareholders' meeting and is exempt from the previous requirement of shareholders' meeting approval.

The Company's dividend policy is formulated by comprehensively considering future capital requirements, industry competitive conditions, financial structure, and earnings performance. As the Company is currently in a stable growth phase, it is necessary to retain earnings to meet operational and investment funding needs. Consequently, the Company is implementing a residual dividend policy. The annual distribution of shareholder dividends and bonuses shall not be less than 10% of the distributable earnings for the current year, with cash dividends accounting for no less than 20% of the total dividend distribution for that year.

2. Proposed Dividend Distribution at This Shareholders' Meeting

(1) The undistributed earnings at the beginning of 2024 were NT\$256,703,806. After adding other comprehensive income adjustments of NT\$3,251,722 for 2024, the adjusted undistributed earnings were NT\$397,316,660. Adding the 2024 net income after tax of NT\$152,984,782, and deducting the legal reserve appropriation of NT\$15,623,650, the total distributable earnings amount to NT\$397,316,660. The Company proposes to retain NT\$278,565,818 of earnings without distribution, and to distribute the remaining NT\$118,750,842 as cash dividends of NT\$2 and stock dividends of NT\$1. Both cash and stock dividends will be distributed to the nearest NT dollar (amounts less than one dollar will be discarded), and the total fractional amount will be recorded as other income of the Company.

(2) Approved by the Board of Directors on March 11, 2025, and proposed for approval at the Regular Shareholders' Meeting.

3. Expected major changes in dividend policy

As of the printing date of this annual report, the Company does not expect any major changes in its dividend policy.

(IV) Impact of the proposed stock dividends on the Company's business performance and earnings per share at this shareholders' meeting.

Not applicable.

(V) Remuneration to employees and directors

1. The percentage or range of remuneration to employees and directors as set forth in the Articles of Incorporation

Article 25 of the Articles of Incorporation expressly states:

The Company shall distribute the employee remuneration at no less than 5% of the current year's profits and director remuneration at no more than 1.5% of the current year's profits. However, the Company shall make up for any cumulative losses if any.

The remuneration to employees may be paid in the form of stock or cash, and the recipients of stock or cash may include the employees of the subsidiaries of the Company meeting certain specific requirements.

The term "current year's profits" as mentioned in paragraph 1 refers to the profit before tax prior to deducting employee remuneration and director remuneration.

The distribution of employee remuneration and director remuneration shall be approved by a resolution of the Board of Directors attended by two-thirds or more of the directors and agreed by more than half of the attending directors, and reported to the shareholders' meeting.

2. Basis for estimating employee and director remuneration, calculation basis for employee remuneration distributed as shares, and accounting treatment for discrepancies between actual and estimated amounts

If there is a discrepancy between the actual distribution amount resolved by the shareholders' meeting and the estimated amount, it will be recognized in the profit and loss of the following year.

3. Board of Directors' Resolution on Remuneration Distribution

- (1) Employee and director remuneration distributed in cash or shares. If there is a discrepancy from the estimated amount recognized as an expense for the year, the difference, reason, and handling method should be disclosed:

The Company, following a resolution by the board of directors, has allocated employee remuneration of NT\$14,931 thousand and director remuneration of NT\$2,886 thousand for 2024. There is no difference between these amounts and the estimated figures in the 2024 financial reports.

- (2) Ratio of employee remuneration distributed in stock to net income after tax and total employee remuneration in the parent company only or individual financial reports for the current period:
Not applicable

4. The actual distribution of employee and director remuneration in the previous year (including the number of shares distributed, the amounts, and the share prices), as well as any differences from the recognized employee and director remuneration, should be explained along with the reasons for these differences and the methods used to address them.

Following the board of directors' resolution, the Company's employee remuneration for 2023 was NT\$10,704 thousand, which matched the estimated amount in the 2023 financial reports. The director remuneration was NT\$2,166 thousand, showing a difference of NT\$38 thousand from the estimated amount of NT\$2,128 thousand in the 2023 financial reports. This difference will be recognized as an expense when the payment is made in 2024.

(VI) Repurchase of the Company's Shares

No such situation.

II. Corporate Bonds

No such situation.

III. Preferred Shares

No such situation.

IV. Global Depositary Receipts

No such situation.

V. Employee Stock Options

No such situation.

VI. Restricted Stock Awards

No such situation.

VII. Issuance of New Shares in Connection with Mergers and Acquisitions

No such situation.

VIII. Implementation of Capital Allocation Plans

No such situation.

Four. OPERATIONAL OVERVIEW

I. Business Activities

(I) Business scope

1. The Company's main business activities

- (1) E601020 Electric Appliance Installation
- (2) E605010 Computer Equipment Installation
- (3) F109070 Wholesale of Cultural, Educational, Musical Instruments and Recreational Goods
- (4) F113020 Wholesale of Electrical Appliances
- (5) F113050 Wholesale of Computers and Business Machines
- (6) F113110 Wholesale of Batteries
- (7) F116010 Wholesale of Camera Equipment
- (8) F118010 Wholesale of Information Software
- (9) F119010 Wholesale of Electronic Materials
- (10) F113070 Wholesale of Telecommunications Equipment
- (11) F401010 International Trade
- (12) JE01010 Leasing
- (13) F209060 Retail Sale of Literature, Musical Instruments and Educational Entertainment Supplies
- (14) F213010 Retail Sale of Electrical Appliances
- (15) F213030 Retail Sale of Computers and Office Machinery Equipment
- (16) F213110 Retail Sale of Batteries
- (17) F216010 Retail Sale of Camera Equipment
- (18) F219010 Retail Sale of Electronic Materials
- (19) F213060 Retail Sale of Telecommunications Equipment
- (20) I102010 Investment Consulting
- (21) F399040 Retail Sale of Non-store
- (22) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- (23) F108031 Wholesale of Medical Devices
- (24) F208031 Retail Sale of Medical Devices
- (25) F218010 Retail Sale of Computer Software
- (26) I501010 Product Designing
- (27) I503010 Landscape and Interior Designing
- (28) JA02010 Electric Appliance and Electronic Products Repair
- (29) E701020 Satellite TV Channel KU and C Channel Equipment Installation
- (30) I301010 Information Software Services
- (31) I301020 Data Processing Services
- (32) I301030 Electronic Information Supply Services
- (33) EZ99990 Other Engineering
- (34) F199990 Wholesale of Other Products
- (35) F106020 Wholesale of Daily Necessities
- (36) F107030 Wholesale of Cleaning Supplies
- (37) F113990 Wholesale of Other Machinery and Tools
- (38) F203010 Retail Sale of Food, Grocery and Beverage

- (39) F203020 Retail Sale of Tobacco and Alcohol
- (40) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (41) F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- (42) F206010 Retail Sale of Hardware
- (43) F206020 Retail Sale of Daily Necessities
- (44) F207030 Retail Sale of Cleaning Supplies
- (45) F208040 Retail Sale of Cosmetics
- (46) F213990 Retail Sale of Other Machinery and Tools
- (47) F301010 Department Stores
- (48) F301020 Supermarkets
- (49) F399010 Convenience Stores
- (50) F399990 Other General Retail Sales
- (51) IZ06010 Retail Sale of Commodities
- (52) G801010 Storage

2. Revenue Breakdown by Product for 2024

- (1) Audio-Visual Electronics Revenue: 99.01%
- (2) Non-Audio-Visual Electronics Revenue: 0.99%

3. Current Product (Service) Categories

(1) Product Dimensions:

- A. Audio Category Products: Primarily includes audio amplifiers, receiver surround amplifiers, CD players, vinyl turntables, speakers, soundbars (single-piece theater speakers), wireless speakers, karaoke machines, mixers, headphones, microphones, environmental control systems, and related cables and accessories.
- B. Visual Category Products: Primarily includes televisions (most now without built-in digital tuners, hence renamed as smart displays), video disk players, multimedia players, projectors, and related cables and accessories.
- C. Large Appliance Category Products: Primarily includes refrigerators, washing machines, dryers, electronic wardrobes, large dishwashers, built-in steam ovens, wine cabinets, freezers, and cooktops.
- D. Small Appliance Category Products: Microwave ovens, rice cookers, ovens, dishwashers/dish dryers, vacuum cleaners, robot vacuum cleaners, electric fans, electric heaters, electric shavers, electric toothbrushes, water flossers, induction cookers, desk lamps, irons, hair dryers, hair styling tools, food processors, bread makers, blenders, coffee machines, electric kettles, thermos pots, electronic locks, water dispensers, water purifiers, and related consumables and accessories.
- E. Air Treatment Category Products: Air purifiers, dehumidifiers, and related products.
- F. Air Conditioning Category Products:
Primarily includes indoor and outdoor air conditioning units.
- G. Digital and ICT Category Products:
Primarily 3C-related products, including smartphones, tablet computers, wearable mobile devices, Bluetooth earphones, laptop computers, gaming monitors, professional digital SLR cameras, gaming and entertainment devices, and related peripherals and accessories.
- H. Commercial Display Products:
Primarily includes commercial displays, digital signage, and related cables and accessories.

(2) Services:

- A. Configuration planning and installation adjustment of home entertainment systems.
- B. Configuration planning and installation adjustment of public address systems.
- C. Configuration planning and installation adjustment of meeting presentation systems.
- D. Configuration planning and installation adjustment of environmental control systems.
- E. Repair or outsourced repair services for audio-visual home appliances and 3C products.
- F. Integration planning, construction, and operation of commercial display systems.

4. New products (services) under development.

- (1) Product development and integration in response to the advent of the “Internet of Things” (IoT) era.
- (2) Planning and sales of high-end integrated air conditioning systems.
- (3) Import, development, and sales of diversified audio products.
- (4) Business expansion of public address systems for commercial venues.
- (5) Business development for government agencies and corporate bidding projects.
- (6) Architecture of “Smart Home” projects.
- (7) Planning for integrated applications between mobile phones, computers, and home appliances.

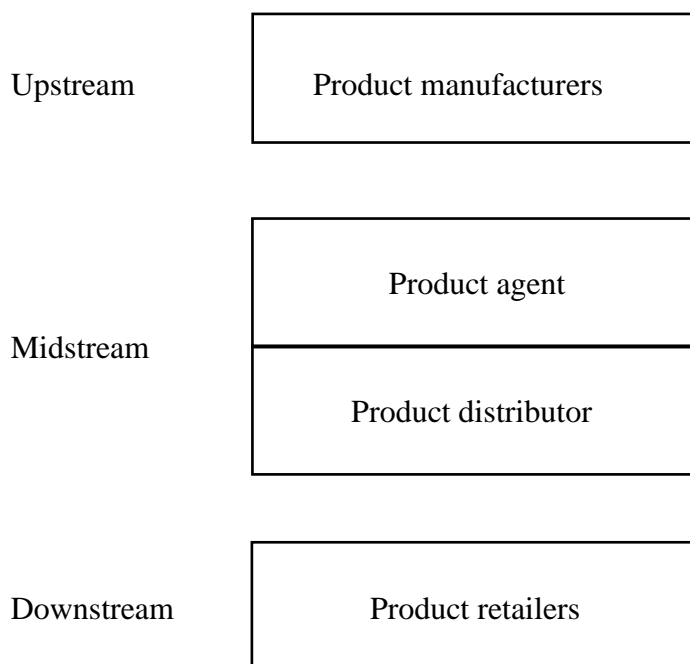
(II) Industry Overview

1. Industry Status and Development

Home appliances are essential products for every household. Each brand manufacturer continuously researches and develops enhanced functionality in their products. As a result, the home appliance industry market has shown steady, modest growth in recent years. Despite the competition from other large chain retailers we are facing, the Company is able to offer customers professional home appliance planning and guidance from dedicated specialists, a more comfortable shopping environment, and more detailed product information. At the same time, the Company possesses professional capabilities in home theater systems, audio component systems, and networked playback integration that other channels lack, providing consumers with hands-on experiences. As a result, the Company is better positioned to attract consumer groups that prioritize service quality and added value, establishing trust and customer loyalty.

Starting in 2021, the Company expanded into smartphones and tablet products, linking integrated home appliance control systems to provide customers with a complete one-stop shopping experience.

2. Correlation between upstream, midstream and downstream of the industry



3. Product Development Trends

Currently, the Company's sales are primarily focused on the domestic market. While smaller portable products may be purchased by foreign tourists, the market remains fundamentally oriented toward domestic demand. Analysis of major product development trends and growth characteristics is as follows:

(1) Audio Category Products:

The Company began by selling audio products, with its previous slogan being "Plant the Seeds of Music Love." Although it has now changed to "Voice for Style," the core business focus on promoting music and audio products remains unchanged. World-renowned audio expert Chang Chi-Kao (1926–1995) once said: "Audio equipment is merely the means; music is the ultimate goal!" In pursuit of higher quality and more authentic audio reproduction, recording industry professionals and audio equipment manufacturers continuously invest in research and development, introducing products with increasingly superior performance in both software media and playback hardware. Music enthusiasts, in their desire to experience home listening that more closely resembles live performances, persistently purchase new equipment or upgrade existing systems, thereby sustaining the continued growth of the audio sales industry. With the evolution of time and technological advancements, people's methods of listening to music have become quite diverse. Beyond traditional analog vinyl records (LP, Long Playing, 12 inches in diameter) and digital audio compact discs (CD, Compact Disc, 12 centimeters in diameter), the development of computer technology has promoted advancements in "Music File" playback technologies, leading to widespread penetration of "Digital Stream" trends in the audio industry in recent years.

The popularity of mobile networks and home networks has enabled various streaming music services such as Apple, Spotify, KKBOX, Tidal, and video streaming platforms like Netflix, Disney+, Apple TV, Friday Video, and Chunghwa Telecom MOD to provide services through more convenient methods and higher-resolution audio-visual content. This has significantly

changed how modern people listen to music and watch videos, while also creating tremendous business opportunities with great potential for the audio industry.

Most audio brands and suppliers in the market have already adapted to these trends by offering wireless streaming solutions within their traditional audio product lines. It's also worth noting that consumers are increasingly valuing the aesthetic design of home and portable audio systems. Therefore, "stylish design" will be an effective indicator for audio brands competing to lead the market in the next wave. To address this, the Company, while upholding professional standards in audio sales and vetting quality products for consumers, also considers market trends and interior design styles. We carefully select the optimal configuration from numerous audio product lines for our customers, satisfying both their auditory and visual experiences. We strive to enhance our reputation through post-sale satisfaction, thereby increasing the penetration rate of audio-visual home appliances in the Taiwan market.

(2) Image Product Category:

Since the beginning of television development in the 1950s, the technology has undergone several major revolutions. From black and white CRT (Cathode Ray Tube) curved televisions to color CRT curved televisions, then to rear projection televisions (developed in response to the demand for larger screens), and finally to flat and completely flat color CRT televisions, the technological development during this period was, strictly speaking, relatively slow. Since the late 1990s, the commercialization of Plasma Display Panel (PDP) and Liquid Crystal Display (LCD) technologies has reduced television thickness to approximately 10 centimeters. This transformation converted what was once a bulky machine that could only be placed on cabinets into devices easily mounted on walls, saving considerable space and enabling more extensive applications. During the initial market introduction of flat-panel televisions, the Company precisely predicted future trends and made bold yet cautious investments. We led the industry by comprehensively implementing display and sales across all business locations, establishing our current leadership position in the distribution channel for mid-to-high-end television products.

Compared to the CRT era, the development of flat-panel televisions has been remarkably rapid! In just over a decade, the pursuit of improved picture quality and larger screen sizes created an unstoppable revolution in visual technology through "higher resolution" and "larger screen size" advancements. In recent years, television display technology has shown diverse development trends, simultaneously driving demand for ultra-high-resolution panels. As 4K panels have become more affordable and widespread, television panel manufacturers have set their sights on the next generation of even higher-resolution 8K panel markets. In 2018, 8K panels entered mass production, and this "future technology" is now ready to accelerate its entry into consumers' homes. Meanwhile, OLED panel technology has increasingly matured, with major brands successively launching related products such as Mini LED and QLED, allowing us to experience how high-resolution televisions will bring more surprises and vivid audio-visual enjoyment.

Based on the research reports from authoritative market research organizations such as Display Search and GFK, the acceleration of consumer replacement demand is expected due to product innovations and large-size panel factors. Additionally, as Taiwan's television program broadcasting method has completely transitioned from the traditionally criticized cable television system to digital broadcasting, Full HD (Full High Definition) or even UHD (Ultra

High Definition) television products will be able to highlight their functional features more prominently. Currently, 4K televisions have become a battleground for major brands. With the successive launch of 8K televisions, brand manufacturers are preparing to unveil the next generation of image specifications. However, due to the rapidly evolving panel technology today, this product category currently experiences shorter product life cycles. Television products face tremendous price competition, and the overall market size of television products is expected to remain relatively weak in the short term. Additionally, the two major camps of OLED and QLED are launching new products with increasingly enhanced functions that are equally impressive! Particularly, as Smart TVs continue to mature, browsing and playing pictures and videos have become standard features. Internet-connected televisions combined with voice control operation are part of the future blueprint of interconnected living. Televisions are no longer just the hub of home audio-visual entertainment systems but are evolving into IoT integration platforms. Through the TV interface, users can control smart home appliances, transforming televisions into command centers for smart homes. Combined with consumers' entertainment demands for international sporting events, gaming consoles, and daily series viewing, household usage is shifting toward high-end, large-sized products. With the desire for excellent audio-visual experiences, this trend will further leverage the Company's competitive advantages.

(3) Large and Small Home Appliances Category:

Compared to audio equipment, essential household appliances such as refrigerators and washing machines remain necessities in homes, maintaining steady year-over-year market growth. As people's demands for quality of life increase, these seemingly simple and bulky products are becoming increasingly "intelligent." The development of various home appliances is closely tied to remote control capabilities. Now, washing machines no longer simply provide audio alerts when cycles complete – they can preset washing procedures and send mobile notifications about progress. Through remote monitoring of refrigerator usage frequency, users can understand family usage patterns, manage food items intelligently, and adjust operations based on user habits. With built-in video cameras in robot vacuum cleaners, users can remotely control cleaning via smartphone and achieve precise, rapid cleaning. Both large and small home appliances can be interconnected through Wi-Fi networks, allowing control via mobile applications. Like having a single remote control that manages all household appliances, consumers are increasingly accepting high-quality smart home appliances, which provide more convenient lifestyles. The Company continues to experience substantial growth in IoT product sales, with significant potential for expansion in both revenue and market share. As product functionality becomes increasingly sophisticated, sales personnel must possess superior product explanation skills – this represents the Company's greatest advantage in deploying highly qualified professional home appliance consultants.

(4) Air Treatment Products:

Due to increasingly extreme climate changes, severe air pollution, and pandemic influences, modern consumers' demand for dehumidifiers and air purifiers has been steadily rising, regardless of season. In recent years, the Company has specifically designated this as an independent product category for more specialized management. Combined with intelligent remote control capabilities, these products make home life more time-efficient and convenient.

(5) Air Conditioning Products:

According to GFK data, the air conditioner market sales slightly exceed the television market. The Company has been actively and continuously investing in the air conditioning engineering and air conditioner markets, with considerable room for future growth.

Connected air conditioning units have been on the market for several years, and the overall integration of home appliances has become nearly comprehensive. Through proper connection and setup, remote control is possible, allowing users to turn on their home air conditioning and monitor appliance usage even when away from home via smartphones. With customized reminders, users can easily enjoy comfortable temperatures immediately upon returning home!

(6) Digital and ICT Product Category:

The primary remote control method for current market home appliances is smartphone control. Therefore, phones, tablets, and other devices with app interface capabilities can help customers operate more conveniently. According to GFK data, the smartphone market holds a significant share. The company has introduced service options for smartphones, tablets, and wearable devices, and in 2023 established a Sony Center in cooperation with Sony Taiwan, providing professional digital photography and gaming services. This creates a comprehensive digital entertainment experience, establishing a unique service model in department stores to meet customers' one-stop shopping needs.

4. Product Competition

The Company's main competitors are large chain retail channels. While there is a certain degree of product overlap, the Company primarily targets department store channel customers, which differentiates it from the aforementioned systems. Additionally, the Company possesses audio product capabilities and audio-visual system integration abilities that these channels generally lack, resulting in relatively minimal competitive impact.

(III) Technology and R&D Overview

As a retail channel company, although we do not have self-developed or licensed technologies, the combination of various products in the image and sound categories requires experienced and professionally skilled personnel to plan, match, and install these components to create comprehensive audio-visual theater systems and business conference systems. This ability to satisfy various customer needs represents a technical capability that is superior to those of other industry peers.

(IV) Short- and Long-term Business

1. Development Plans

- (1) For physical channels, actively planning to renovate existing stores with a neat, clean, and bright image to showcase a richer selection of audio and video home appliances for consumers to experience firsthand. Simultaneously leveraging integrated capabilities in audio-visual related products to develop smart home systems, establishing a leadership position in the audio-visual channel through more professional and refined services, expanding differentiation from competitors and increasing the degree of differentiation.
- (2) Accelerating the liquidation of slow-moving inventory while introducing trendy new products such as smartphones, tablets, and wearable devices to improve inventory turnover rates.
- (3) Continuing with social media marketing and fan community development to increase online visibility. Beyond physical channels, actively enhancing e-commerce and mobile commerce

sales performance to achieve multi-channel sales, while integrating virtual and physical channels to provide consumers with online ordering and offline experience and pickup services. Simultaneously, for large-volume product procurement, besides distributing to major online platforms to gain exposure, GSeven Co., Ltd. has also entered shopping mall 24-hour repository warehouses and home delivery logistics repository shopping systems to provide fast delivery services.

- (4) With the original intention of planting seeds of love for music, GSeven Co., Ltd. continues to optimize audio-visual rooms across Taiwan, creating a premium audio map, and continuing to collaborate with major department stores to organize consumer events featuring music themes, home appliance exhibitions, and live demonstrations. By combining well-known audio products, GSeven provides consumers and department store VIP members with different musical experiences, allowing them to enjoy the beautiful sound quality delivered by premium audio equipment, enhancing their quality of life.
- (5) GSeven Co., Ltd. will extend its newly developed corporate identity system across both physical and virtual channels, applying relevant supporting elements to promotional materials and display fixtures to strengthen a consistent corporate image from inside out, enhancing consumer brand impression of GSeven.
- (6) The company will actively pursue integrated planning services for various commercial spaces, offices, government agencies, schools, and construction companies.
- (7) Establishing an official company e-commerce website that offers the convenience of online payment and in-store pickup options. For outlet products or high-end exclusive merchandise, special display locations will be clearly marked, allowing consumers to personally inspect and experience the products, thus maximizing the integration of virtual and physical retail functions.

2. Long-term plan:

- (1) GSeven Co., Ltd. will progressively establish professionally operated flagship stores in metropolitan areas throughout Taiwan. These stores will showcase various IoT home appliances, allowing consumers to experience convenient smart home living. Additionally, they will provide high-end consumer groups with more refined audio product auditioning services and professional installation and sound calibration services, continuing to deeply cultivate the audio market and maintain a leading position in the audio retail channel.
- (2) Continuously collaborating with major department store chains to steadily expand the number of counters, while establishing sales locations in other suitable channels outside department stores and shopping centers to increase market share.
- (3) Leveraging GSeven Co., Ltd.'s reputation in the home audio-visual market and professional installation quality to enter the commercial audio-visual engineering market, and integrating audio-visual engineering with air conditioning engineering to provide the following services:
 - A. Commercial space audio-visual planning
 - B. Conference system integration planning
 - C. Media advertising system planning
 - D. Public address system engineering planning
 - E. Audio-visual environmental control system planning

- (4) Continuously importing world-renowned audio products, actively promoting distribution of famous brand audio products, organizing various experiential activities to impress consumers with excellent sound quality, and expanding brand awareness.
- (5) Establishing logistics centers in conjunction with self-operated stores to serve as regional management centers, integrating short-chain logistics delivery processes, optimizing information systems, and improving management efficiency.
- (6) Continuously strengthening sales personnel education and training to enhance service quality.

II. Market and Production Overview

(I) Market Analysis

1. Primary Sales Regions

The Company operates in the domestic market with sales channels including department store counters, e-commerce channels, wholesale trade channels, commercial engineering channels, retail stores, and general retail channels. Sales are exclusively within Taiwan.

2. Market Share

The Company's main products include those in the image category, sound category, and home appliance category. Within the image category, the primary products are high-end OLED TVs and Mini LED TVs. According to GFK market research data, the Company's market share is approximately 5%. However, compared to other competitors in the overall home appliance industry, there remains significant room for growth.

3. Market Future Supply and Demand Conditions and Growth Potential

Global audio-visual appliance manufacturers invest substantial resources in R&D to maintain their competitive advantage, continuously launching products with the latest technology and excellent quality. The Company maintains strong cooperative relationships with numerous brand manufacturers, securing opportunities to sell the newest products and receiving excellent professional training. This enables us to provide consumers with integrated professional planning for audio-visual and home appliance products, satisfying consumers' one-stop shopping needs. Compared to other independent stores and chain channels in the market, the Company captures sales opportunities from the initial introduction phase of product specifications (technology) through to the maturity phase. Throughout the developmental stages of television technology – from HD resolution, FHD resolution, to 8K resolution – from initial specification introduction to widespread market adoption, the Company has secured numerous sales opportunities for high-specification and large-sized televisions, enabling rapid growth alongside these market trends. In recent years, home appliance technology has expanded into broader research and development. Major brands continue to focus on convenience and multi-functionality as their core development philosophy, introducing various products such as: wet-mopping vacuum cleaners, AI bionic dynamic robot vacuum cleaners, multi-functional steam-bake-roast microwave ovens, and purifying dehumidifiers. The Company consistently maintains its first-mover advantage in selling these latest products, conducting experiential marketing through physical retail channels. This approach has yielded substantial growth as these new products transition from market

introduction to widespread adoption, satisfying consumer demands while expanding our business scale.

Smartphones, tablets, and wearable mobile devices have become increasingly popular consumer equipment in today's market. In response to market demand, related products have been introduced, including gaming monitors and related gaming peripherals, satisfying the needs of a broader age range of consumers, providing comprehensive and diverse services, and creating entirely new sources of business revenue.

4. Competitive Advantage

The Company currently has established locations in major department stores throughout Taiwan, with a number of locations and business scale sufficient to lead the audio-visual home appliance industry in the department store channel.

As Taiwan's standard of living continues to improve year by year, consumer shopping patterns have shifted toward experience-oriented consumption. Therefore, department stores with comfortable environments and premium consumer experiences have become the most frequent destinations for Taiwanese consumers during their leisure time. Department stores possess factors that encourage extended stays, where consumers combine leisure, entertainment, dining, and shopping needs, generating consumer demand during their time spent there. To satisfy consumer needs, the Company has established premium audio-visual listening rooms, cutting-edge 8K television technology displays, high-quality home appliance areas, and experience zones for trending digital information products in department store outlets across all metropolitan areas in Taiwan, providing consumers with opportunities for hands-on experiences and consultation. Furthermore, the Company's sales personnel are required to participate in comprehensive new employee education and training, audio sales seminars, manufacturer product knowledge education and training courses, and other programs. Equipped with professional expertise in comprehensive audio-visual home appliance product integration planning, they are able to capture Taiwanese consumers' replacement needs for home audio-visual appliances and digital information products, gradually expanding the business scale year after year. Therefore, the headquarters must centralize procurement to reduce purchasing costs, leverage economies of scale, and maintain the Company's competitive advantage.

- (1) Possess a professional, dedicated, and efficient management team with effective division of labor.
- (2) Comprehensive and differentiated product supply system with robust structure.
- (3) Well-established e-system infrastructure enabling rapid, timely, accurate, and effective information transmission.
- (4) Operating model achieving economies of scale, with unlimited future growth potential.

5. Favorable and unfavorable factors for future development and corresponding strategies

(1) Favorable factors

- A. Distribution channel characteristics are highly valued by suppliers, with direct supply of key products reducing intermediary procurement costs.
- B. Possessing high-quality frontline sales personnel capable of providing customers with superior service quality and added value.

- C. With changing consumer patterns and a thriving department store industry, the Company has operated in the department store channel for over twenty years, maintaining excellent cooperative relationships with premium department store systems such as Shin Kong Mitsukoshi, Far Eastern Department Stores, SOGO, Uni-President, Hanshin, Mitsui, and the Tonlin Group. Simultaneously, the Company maintains close coordination with regional department stores throughout Taiwan, securing a significant advantage in department store channel operations.
- D. Evolution of action technology and the integration of audio-visual home appliances with Internet of Things (IoT) demands are emerging.

(2) Unfavorable Factors and Countermeasures

- A. Sales points are concentrated in department store channels, making business conditions more noticeably affected by department store promotions.

Countermeasures: Accelerate the expansion of proprietary stores and business locations in other retail systems, while strengthening sales operations through virtual channels. This not only avoids excessive dependence on department store business conditions but also increases revenue, reduces selling and administrative expenses, and improves profitability.

- B. High turnover rate of sales personnel and difficulty in training, resulting in resource expenditure.

Countermeasures: Continuously strengthen personnel education and training, strive to obtain professional product knowledge training resources from original manufacturers to enhance fundamental capabilities. Meanwhile, appropriately increase the remuneration and benefits for basic management personnel (store managers), and adjust the salary structure and performance evaluation standards for sales personnel. Implement the mechanism of “selecting, utilizing, developing, and retaining talent” to increase per capita productivity.

- C. Market entry barriers are relatively low with intense competition, leading to declining gross profit margins.

Countermeasures: Strengthen product development integration and increase the proportion of exclusive products to avoid excessive price competition. Providing more diversified services, exclusive and differentiated sales activities to satisfy consumer needs, enhance customer loyalty and brand awareness.

- D. The market is experiencing an economic downturn, with declining disposable income among the public.

Response strategy: In response to the economic recession, decreasing wages, and reduced disposable income, the Company, in addition to its original high-end product portfolio, also offers high value-for-money product packages to meet consumers’ entry-level product needs, addressing various consumer segments in a polarized society.

E. Operating costs and expenses are increasingly rising.

Response Strategy: Continuously expand operational scale to achieve secondary economies of scale. Establish strategic alliances through vertical integration with upstream (suppliers) and downstream (department store systems) partners to jointly bear risks, share operational pressures, create win-win situations, and share profits.

F. The government's real estate market cooling policies have sharply reduced housing transactions.

Response Strategy: Actively develop designer customer segments and proactively capture market demand from consumers looking to purchase home appliances when moving to new homes. Effectively utilize department store promotional resources to launch market-exclusive sales programs and product combinations, satisfying consumers' one-stop shopping needs.

(II) Main Products and Their Important Uses

Main Products	Product Description
Audio Products	Consumer products for audio systems and peripherals
Video Products	Consumer products for video systems and peripherals
Home Appliance Products	Various consumer products for household electrical appliances
Digital Information Products	Consumer digital 3C products and peripherals for personal or household use

(III) Supply Status of Main Products

The Company's suppliers are primarily distributors or direct sales representatives. Main suppliers come from around the world, including Taiwan, Japan, South Korea, and European and American regions, representing well-known industry manufacturers. For products of similar nature, there are always two or more suppliers available as alternatives. The brands carried by our suppliers are all first-tier brands in the Taiwan market, with a stable market scale and consistent supply sources. Currently, we seek to have two or more suppliers for the same type of products, and all suppliers have maintained a long-term, stable cooperation with the Company. This enables us to maintain a competitive advantage through stable supply sources and diversified procurement risks. In addition to the established cooperation with existing suppliers and brands, we continue to develop various products and brands to fuel the Company's ongoing growth and development.

(IV) Names of customers accounting for more than 10% of total purchases (sales) in either of the past two years, their purchase (sales) amounts and percentages, with explanations for any significant changes

1. Major Supplier Information for the Past Two Years

Unit: NT\$1,000

Year	2023				2024				As of Q1 2025			
Items	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the Company	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the Company	Name	Amount	Percentage of total net purchases as of the first quarter of the current year (%)	Relationship with the Company
1	Company A	1,241,680	33.83%	None	Company A	1,500,863	35.36%	None	Company A	450,165	39.73%	None
2	Company B	470,664	12.82%	None	Company B	555,267	13.08%	None	Company B	177,555	15.67%	None
3	Company D	465,872	12.69%	None	Company C	515,249	12.14%	None	Company C	87,960	7.76%	None
4	Company C	419,770	11.44%	None	Company D	443,782	10.45%	None	Company D	79,252	6.99%	None
	Others (Note)	1,072,237	29.22%	None	Others (Note)	1,229,968	28.97%	None	Others (Note)	338,339	29.85%	None
	Net purchase	3,670,223	100%		Net purchase	4,245,129	100%		Net purchase	1,133,271	100%	

Note 1: Explanation for changes: These are mainly due to shifts in consumer market trends, business development needs, and changes in customer product requirements.

Note 2: Other suppliers account for less than 10% of total purchases, therefore disclosure is not required.

2. Major customer information for the past two years where any customer represented more than 10% of total sales:

The Company is a distributor of audio/video and home appliance products with no specific major customers. Sales are primarily made to the general public and small-scale home appliance businesses. Individual customer purchases represent extremely small portions of revenue, with none reaching 10% or more.

III. Information of employees

Year		2023	2024	Year to March 31
Number of employees	Managerial level and above	18	18	19
	Non-managerial indirect personnel	125	129	138
	Direct personnel	290	297	294
	Total	433	444	451
Average age		34.8	35.2	35.8
Average years of service		5.2	5.3	5.4
Education distribution ratio	Doctoral degree	0.0%	0.0%	0.0%
	Master's degree	6.2%	6.1%	5.8%
	Junior college	76.7%	75.5%	76.2%
	Senior high school	17.1%	18.4%	18.0%
	Below high school	0.0%	0.0%	0.0%

IV. Information on environmental protection expenditure

- (I) Recent years and up to the printing date of the annual report, losses incurred due to environmental pollution (including remuneration and violations of environmental regulations found in environmental protection inspections): No such situation.
- (II) Current and possible future estimated amounts and countermeasures: The Company has not suffered any losses due to environmental pollution and does not anticipate such in the future.

V. Labor Relations

- (I) Various employee welfare measures, continuing education, training, retirement systems and their implementation status, as well as agreements between labor and management and measures to protect employee rights and interests.

1. Employee Welfare Measures

(1) Bonuses, Gifts, Profit Sharing, Stock:

Sales bonuses, year-end bonuses, employee profit sharing, holiday cash/gifts for three major festivals, regular salary adjustments based on performance, employee stock ownership trust.

(2) Health, Insurance, Facilities:

Annual health examination, group insurance for employees, library, nursing room, occupational health nurse, on-site occupational physician consultation service, annual weight loss competition.

(3) Recreational Activities, Other Benefits:

Employee volunteer service public welfare leave, year-end/spring banquet prize drawings, department gatherings, employee shopping discounts, employee travel subsidies, employee wedding gifts, employee childbirth allowances, employee children's scholarships, employee birthday gifts, employee continuing education subsidies, employee birthday leave, classical music and arts subsidies, diverse arts and cultural experience activities, employee family fun activities, and corporate special offers.

2. Education and Training Conditions:

- (1) The Company encourages employees to pursue further education and provides subsidies for external training.
- (2) The Company is committed to enhancing employees' professional qualities, encourages continuous education, and provides subsidies for external training. Additionally, through regular planning of diverse educational training courses, the Company strengthens employees' knowledge and skills in various professional fields. The main training contents for 2024 are as follows:

A. New Employee Training

To help new employees quickly integrate into the company, the Company has fully digitized new employee training. Through online real-time courses, colleagues become familiar with the company structure, employee benefits, and internal regulations. Furthermore, for sales colleagues, there is an additional "Operations New Employee Training" that covers service process SOPs and sales techniques, enhancing new colleagues' professional capabilities and market competitiveness to ensure immediate effectiveness.

B. Product Training

In collaboration with various brand manufacturers, the Company regularly organizes product training to ensure employees stay updated on the latest market trends and product knowledge. Courses are conducted both online and in-person, focusing on new product introductions and sales applications. These programs help employees enhance their product expertise and strengthen their sales skills to optimize customer service experiences and increase sales performance.

C. Management Trainee Program

To cultivate future management talent, the Company regularly conducts management trainee programs. Through professional courses and practical exercises, these programs strengthen leadership and decision-making capabilities, ensuring sustainable development of the corporate talent pipeline and establishing a solid foundation for future management careers.

D. Store Manager Training

Managers of department store counters nationwide must participate in regular in-person training sessions conducted by professional consulting firms. These sessions cover professional knowledge, case studies, and experience sharing to help store managers enhance their operational management capabilities, ensure steady growth in operational performance, and drive overall team sales improvement.

E. Senior Executive Management Training

The 2024 senior executive training program includes courses on "Task Planning and Execution" and four sessions on "Game Theory." These are designed to strengthen executives' organizational leadership abilities, improve decision-making efficiency, optimize resource allocation and task tracking mechanisms to enhance departmental operational effectiveness, and ensure stable corporate development.

F. 2024 training situation statistics table

Training category	Total number of sessions	Hours per session	Total number of participants	Total person-hours
Senior executive training	1	8	16	128
Store manager training	2	8	90	720
Product training	21	2	228	456
New employee training – common	1	1.5	93	139.5
New employee training – operations	1	1.5	56	84
General training	7	2.5	216	540

3. Employee retirement system and implementation status

- (1) Employee retirement matters are handled in accordance with the relevant provisions of the Labor Standards Act, Labor Pension Act, and other related regulations.
- (2) For employees subject to the retirement provisions of the Labor Standards Act, the Company makes monthly contributions to the retirement reserve fund in accordance with Article 56, Paragraph 1 of the Act, and contributes retirement funds within the limit of 2% of the total actual base salary of employees annually as stipulated in Paragraph 2 of the same Article. These funds are supervised by the Company's Labor Retirement Reserve Supervision Committee and deposited in the Bank of Taiwan, which is responsible for the receipt, custody, and utilization of the funds, under the name of the Committee.
- (3) For those applicable to the Labor Pension Act retirement system, the Company contributes no less than 6% of the employee's monthly wage to the employee's individual labor pension account established at the Bureau of Labor Insurance in accordance with the Labor Pension Act and based on the monthly contribution wage classification table approved by the Executive Yuan.
- (4) In 2024, 0 employees retired due to reaching retirement age, and 2 employees voluntarily retired, totaling 2 retirees.

4. Labor–Management Agreements and Employee Rights Protection Measures

The Company maintains harmonious labor–management relations. Both parties primarily handle matters through communication and coordination to reach mutual understanding, ensuring smooth implementation of all operations.

In addition to establishing work rules in accordance with legal requirements to clearly define labor conditions and protect employee rights, the Company has also set up labor–management meetings and an Employee Welfare Committee. Employees can receive fair and reasonable handling of various rights issues through these channels.

5. Work Environment and Employee Personal Safety Protection Measures

- (1) To provide employees with a dignified and equal work environment free from discrimination and harassment, the Company has established the “Sexual Harassment Prevention Measures, Complaint and Disciplinary Regulations” and “Prevention, Complaint and Disciplinary Regulations for Illegal Infringement of Duties.”
- (2) The Company has set up a dedicated hotline for sexual harassment complaints, posted sexual harassment prevention promotional stickers, and conducts annual online sexual harassment prevention training courses.

- (3) The annual employee survey on organizational atmosphere and psychological safety was conducted for all employees. The implementation status and improvement plan for 2024 are as follows:

Survey type	Gallup Q12
Survey target	All employees of GSeven Group
Survey content	Employee engagement indicators including work engagement, team relationships, supervisor support, and career development.
Number of participants	425 people
Coverage rate	95.3%
Survey units	Human Resources Department
Survey distribution date	March 2024
Survey frequency	Once a year
Survey period	January 1, 2023–December 31, 2023
Overall Satisfaction	4.12 points (minimum 0 points, maximum 5 points)
Survey results	<ul style="list-style-type: none"> ● Overall, items scoring 4 points or above in the Q12 questionnaire account for 83.34%, indicating that the Company maintains a high-efficiency organizational atmosphere that helps stimulate employee potential, demonstrating high engagement and active completion of work tasks. ● Analysis of lower-scoring items is as follows: <ul style="list-style-type: none"> (1) Recognition: We can strengthen immediate feedback and positive encouragement mechanisms for outstanding employee performance. (2) Career Development: It is recommended that supervisors conduct regular growth feedback interviews with employees, with a focus on sales staff. ● Annual Trend Analysis: The overall average score in 2024 is slightly lower than 2023 (▼), but still higher than 2022 (▲). ● 2024 Individual Score Statistics: <ul style="list-style-type: none"> Scores < 4 points: Administration 45 people (38.2%), Sales 110 people (35.8%) Scores < 3 points: Administration 2 people (1.7%), Sales 12 people (3.9%) ● Improvement Actions: For the lowest-scoring item “Recognition,” relevant courses have been arranged this year to continue promoting improvement and implementing actions.
Improvement Plan	<ul style="list-style-type: none"> ● Establish cross-departmental communication and leadership courses to enhance collaboration efficiency between different departments. ● Organize team-building activities to promote team cohesion and sense of belonging. ● Strengthen the performance evaluation result announcement mechanism to increase transparency and fairness, ensuring that every employee’s efforts can be recognized.

- (4) Set up 24-hour facial recognition access control systems at all headquarters offices, with management personnel stationed at entrances and exits.
- (5) Department stores and shopping malls shall implement security measures in accordance with public safety and related regulations.
- (6) Fire drills are conducted every six months, and fire equipment is inspected annually.
- (7) Employee health examinations are conducted according to the “Employee Health Management Regulations” as follows:
 - A. Advanced health examinations for executives are conducted annually.
 - B. Health examinations for general employees aged 65 and above are conducted annually.
 - C. Health examinations for general employees aged 40 to under 65 are conducted every 3 years.
 - D. Health examinations for general employees under 40 are conducted every 5 years.
- (8) Full-time occupational safety personnel and occupational health nurses are employed to promote occupational safety education and safeguard employees’ physical and mental health.
- (9) Bi-monthly contracted occupational medical physicians on-site care and consultation appointment. The implementation in 2024 is as follows:

Date	On-site service hours	Number of hours
February 27, 2024	13: 30~16: 30	3
April 16, 2024	13: 30~16: 30	3
June 5, 2024	13: 30~16: 30	3
September 6, 2024	13: 30~16: 30	3
November 26, 2024	13: 30~16: 30	3

- (10) As part of the Company’s efforts to prevent employee obesity and the three highs (high blood sugar, high blood lipids, and high blood pressure) chronic diseases, the implementation and effectiveness are as follows:
 - A. Health education-related matters are announced on the company intranet monthly.
 - B. Weight loss competitions are held regularly each year.

Time	June–July, 2024, two months in total
Number of people	A total of 52 GSeven employees
Results	<ul style="list-style-type: none"> ● A total of 142.2 kilograms of weight was lost. ● Daily reduction of approximately 5 kilograms of carbon dioxide emissions.

- (II) Losses due to labor disputes in the most recent year and up to the printing date of the annual report, estimated amounts that may occur currently and in the future, and countermeasures:

Since its establishment, the Company has maintained harmonious labor–management relations, with both sides contributing to the development of the business. There have been no major disputes or losses in 2024 or up to the printing date of the annual report. In the future, the Company will continue to strengthen communication and welfare measures through regular labor–management meetings to eliminate potential disputes.

VI. Information Security Management

(I) Information Security Risk Management Framework

The Company established the “Information Security and Personal Data Protection Management Committee” in 2024, responsible for implementing information security management planning, establishing and maintaining an information security management system, and coordinating information security and protection-related policy formulation, implementation, risk management, and compliance auditing. The President serves as the supervisor and Chief Information Security Officer, with department heads from across the company (including sales, finance, accounting, procurement, logistics, marketing, customer service, legal, human resources, and information technology) serving as committee member.

The Information Security and Personal Data Protection Management Committee conducts annual management review meetings to examine information security risk analysis results and implement corresponding protective measures and strategies, ensuring the continued applicability, appropriateness, and effectiveness of the information security management system. At least once a year, the highest-ranking IT Department executive reports to the board of directors on information security governance effectiveness, information security-related issues, and risk management directions.

(II) Information Security Policy

The Company has joined TWCERT (Taiwan Computer Emergency Response Team/Coordination Center) and implemented the international information security management framework (ISO 27001) for regular cyclical inspections, verifications, and tracking. In accordance with company policy, we conduct relevant risk management and information security governance to establish a secure and trustworthy digital information environment. This prevents information or information systems from unauthorized access, use, control, disclosure, destruction, alteration, deletion, or other infringements, and ensures confidentiality, integrity, and availability. We have therefore established this information security policy for all employees to follow.

(III) Specific Management Programs

To achieve our information security policy and objectives and establish comprehensive information security protection, we are implementing the following management initiatives and specific programs:

1. Enhancing information security defense capabilities

- (1) We conduct regular information security health checks and vulnerability scanning, followed by reinforcement and remediation to reduce information security risks.
- (2) We have established an “Information Security and Personal Data Protection Emergency Response Team” and joined TWCERT (Taiwan Computer Emergency Response Team/Coordination Center). We have developed a network security incident response plan that assesses impact and damage according to incident severity levels and takes corresponding notification and recovery actions.
- (3) Connection between external internet and internal area networks must be controlled through a firewall for access control. Unauthorized services and sources should not be permitted to enter other zones.
- (4) Firewall policies should be regularly reviewed for appropriateness, and necessary updates or upgrades to firewall software and hardware should be implemented in a timely manner.

2. Information security management procedures should be enhanced

- (1) Regular reviews of information system permissions
- (2) Employees must comply with information security regulations, conduct regular personal security assessments, and continuously implement the PDCA cycle for ongoing improvement.
- (3) Confidential information must be encrypted during storage and transmission.

3. Legal compliance and implementation of international information security certification standards should be maintained

The organization has obtained ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System certifications, requiring annual verification and recertification every three years.

4. Education and training

- (1) All employees must receive at least 3 hours of general information security education annually.
- (2) IT personnel must complete at least 3 hours of specialized information security professional courses or competency training annually.
- (3) Information security specialists must undergo at least 12 hours of advanced information security professional courses or competency training annually.
- (4) We conduct regular social engineering exercises to enhance security awareness, ensuring that information security operations are supported by senior executives and all departments and implemented by every employee.

5. Strengthening Internal Audits

- (1) We have established an “Information Security and Personal Data Protection Internal Audit Team” that conducts regular internal audits to report on overall information security risks, the effectiveness of countermeasures, and areas for continuous improvement.
- (2) We implement log management, File Integrity Monitoring (FIM), and continuously monitor the operation and risk status of information services.
- (3) We conduct disaster recovery drills by simulating attack scenarios to measure the effectiveness of security management and defense mechanisms.

(IV) Resources Invested in Information Security Management

Information security has become a crucial issue for the Company’s operations. The corresponding security management measures and resources invested are as follows:

1. Policy: The Company has established an information security maintenance plan and a personal data file security maintenance plan. Security awareness videos and announcements are produced to communicate important regulations and precautions regarding information security protection.
2. Certification: The Company plans to obtain ISO 27001 Information Security certification and ISO 27701 Privacy Information Management System certification in 2025, with no major deficiencies in related security audits.
3. Educational Training: All new employees complete information security education courses before onboarding; all employees complete online information security education training and assessment; annual social engineering phishing email tests are conducted.
4. Customer Satisfaction: No major security incidents, no complaints regarding violations of customer data loss.

5. The Company's resources invested in information security management and execution results for 2024 are as follows:

Items	2024 Implementation results
Information security officer	1 person
Information security personnel	1 person
Information security-related meetings	4 times
General information security training completion rate	100%
Information security professional training completion rate	100%
Information security social engineering drill	1 time
Information security checkup	1 time
Weakness scan (website, mainframe)	4 times
Intrusion detection and prevention system	Detected and blocked 40,190 attacks
Firewall intrusion detection and prevention	Detected and blocked 148,194 attacks

(V) In the most recent year and as of the printing date of the annual report, losses, potential impact due to major information security incidents and countermeasures:

The Company experienced no major information security incidents in 2024 as of the printing date of the annual report.

VII. Important contracts

None.

Five. Review and Analysis of Financial Position and Financial Performance, and Risks

I. Financial status

Unit: NT\$1,000

Items \ Year	2023 (A)	2024 (B)	Difference (B-A)	
			Amount	%
Current assets	2,442,113	2,626,595	184,482	7.55
Property, plant and equipment	554,362	655,891	101,529	18.31
Other assets	147,624	115,545	(32,079)	(21.73)
Total assets	3,144,099	3,398,031	253,932	8.08
Current liabilities	2,143,524	2,327,668	184,144	8.59
Long-term liabilities	—	—	—	—
Other liabilities	50,394	43,114	(7,280)	(14.45)
Total liabilities	2,193,918	2,370,782	176,864	8.06
Share capital	395,836	395,836	—	—
Capital reserves	136,138	136,138	—	—
Statutory surplus reserves	71,480	82,335	10,855	15.19
Retained earnings	346,727	412,940	66,213	19.10
Total shareholders' equity	950,181	1,027,249	77,068	8.11
<p>1. Analysis of major changes in items (items with changes exceeding 20% and amounts exceeding NT\$10 million) and their impact: Decrease in Other Assets: Primarily due to the reclassification of real estate prepayments and investment properties to the property category.</p> <p>2. Future Response Plan: The above changes do not have significant adverse effects on the Company; therefore, no response plan is required.</p>				

II. Financial performance

(I) Main reasons for the significant changes in operating revenue, net operating profit and net profit before tax in the most recent two years

Unit: NT\$1,000

Items \ Year	2023 (A)	2024 (B)	Difference (B-A)	
			Amount	%
Operating revenue	4,063,697	4,642,604	578,907	14.25
Operating cost	3,075,981	3,569,327	493,346	16.04
Operating gross profit	987,716	1,073,277	85,561	8.66
Operating expenses	847,234	876,790	29,556	3.49
Operating profit	140,482	196,487	56,005	39.87
Non-operating income and expenses	2,363	(4,372)	(6,735)	(285.02)
Income before tax	142,845	192,115	49,270	34.49
Income tax expense	34,473	39,132	4,659	13.51
Net profit after tax	108,372	152,983	44,611	41.16
Analysis of major changes in items (items with changes exceeding 20% and amounts exceeding NT\$10 million) and their impact:				
1. Increase in Operating Profit: Primarily due to revenue growth in 2024.				
2. Increase in Profit Before Tax: Primarily due to revenue growth in 2024.				
3. Increase in Net Income After Tax: Primarily due to revenue growth in 2024.				

(II) Expected sales volume for the coming year and its basis, possible impact on the Company's future financial operations and response plan

The Company establishes sales targets for the following year based on market demand fluctuations, current year sales performance from departments including the Sales Department, and business cycle conditions. The Company expects continued growth with a sound financial position.

III. Cash flow

(I) Analysis of cash flow changes in the most recent year

Unit: NT\$1,000

Items \ Year	2023 (A)	2024 (B)	Increase/decrease amount (B-A)	Increase/decrease ratio
Operating activities	37,706	309,968	272,262	722.07 %
Investing activities	(117,510)	(104,100)	13,410	(11.41)%
Financing activities	(36,139)	(140,351)	(104,212)	288.36 %
<p>Analysis of Changes in Cash Flow Proportions:</p> <ol style="list-style-type: none"> 1. Increase in cash inflow from operating activities: This is mainly due to the increase in cash inflow from accounts receivable and contract liabilities during the current year. 2. Decrease in cash outflow from investing activities: This is mainly due to the decrease in financial assets measured at amortized cost and the reduction in property acquisition during the current year. 3. Increase in cash outflow from financing activities: This is mainly due to the decrease in short-term loans and the increase in cash dividend distribution during the current year. 				

(II) Improvement plan for insufficient liquidity

The Company has no cash shortage issues and is not at risk of insufficient liquidity.

(III) Cash flow liquidity analysis for the coming year

If the Company has any funding requirements in the future, these will be met through bank loans or cash capital increases. Therefore, the liquidity of cash flow for the coming year is considered secure.

Unit: NT\$1,000

Cash balance at the beginning of period	Projected net cash flow from operating activities for the entire year	Projected net cash flow from investment and financing activities for the entire year	Projected cash surplus (shortage) amount	Remedial measures for projected cash shortage	
				Investment plan	Financial plan
314,384	201,897	(268,775)	247,506	None	None
<p>Analysis of changes in cash flow for the coming year:</p> <p>Operational Activities: The main source of net cash inflow generated from the Company's operational activities.</p> <p>Investment and Financing Activities: The primary sources of net cash outflow are repayment of bank loans, distribution of cash dividends, and acquisition of real estate.</p>					

IV. Major capital expenditures in recent years and their impact on financial operations

The Company has no major capital expenditures other than continued investment in store expansion.

V. Investment policy in recent years, main reasons for profit or loss, improvement plans, and investment plan for the coming year

No such situation

VI. Risk factors

(I) Impact of interest rate fluctuations, exchange rate variations, and inflation on Company profit and loss, and future countermeasures

1. Impact of interest rate fluctuations

The Group's financial structure remains sound, primarily relying on its own funds, with a conservative and stable approach to financial planning. The main interest rate risk comes from short-term borrowings. At the end of 2024, short-term borrowings amounted to NT\$535,000 thousand, mainly due to the Company's fourth quarter short-term borrowings to support operating activities. Interest expenses were NT\$10,704 thousand, representing only 0.23% of net revenue, which is not a significant proportion. Furthermore, the Company maintains good credit relationships with its banking partners and actively seeks optimal credit rates. Therefore, overall, interest rate fluctuations are not expected to have a significant impact on the Company.

The interest rate risk of cash flow is borne by the Group due to the borrowings issued at floating interest rates. The cash and cash equivalents held at floating interest rates partially offset the risk. For 2024 and 2023, the floating-rate borrowings were denominated in NTD. If interest rates had increased or decreased by 0.25%, with all other variables held constant, the net profit after tax for 2024 and 2023 would have decreased or increased by NT\$1,070 thousand and NT\$1,176 thousand, respectively, mainly due to increased or decreased interest expenses resulting from floating-rate borrowings.

2. Impact of exchange rate changes

The business of the Company does not involve significant non-functional currencies, so there is no significant impact of exchange rate fluctuations.

3. Impact of inflation

The Company maintains excellent interactive relationships with suppliers and has a comprehensive price inquiry mechanism while constantly monitoring changes in product prices. Therefore, there are no significant fluctuations in procurement prices, resulting in no substantial impact on profit and loss.

(II) Policies for high-risk, high-leverage investments, lending funds to others, endorsements and guarantees, and derivative transactions; main reasons for profit or loss; and future countermeasures

1. From the current year up to the printing date of the annual report, the Company has not engaged in high-risk, high-leverage investments or derivative transactions. In 2024, the board of directors approved lending funds to its 100% owned subsidiary, GShare Co., Ltd., with a limit of NT\$300,000 thousand at an annual interest rate of 2% to support its business expansion. The

Company also provided endorsements and guarantees for GShare with an outstanding balance of NT\$390,200 thousand to facilitate business development. All these activities were conducted and risks were evaluated in accordance with the “Procedures for Lending Funds to Others” and the “Endorsement and Guarantee Procedures.” Consequently, these transactions have not significantly impacted the Company’s profit or loss.

2. To effectively manage risks, the Company’s audit unit has established “Endorsement and Guarantee Procedures,” “Procedures for Lending Funds to Others,” and “Procedures for Acquisition or Disposal of Assets” as internal control system regulations. These control mechanisms effectively minimize risks.

(III) Future Research and Development Plans and Expected R&D Expenditures

As a retail channel company, while we do not have self-developed or licensed technologies, the combination of various products in the image and sound categories requires experienced and professionally skilled personnel to plan, match, and install these components to create comprehensive audio-visual theater systems and business conference systems. This ability to satisfy various customer needs is a technical capability that other peers lack.

(IV) Impact of significant domestic and foreign policy and legal changes on the Company’s finance and business, and countermeasures

The Company has not been affected by any significant domestic or foreign policy and legal changes that impacted its finance and business operations in recent years.

(V) Impact of technological changes (including information security risks) and industry changes on the Company’s finance and business, and countermeasures

The Company continuously monitors industry information and annually sends staff to attend overseas audio-visual and home appliance exhibitions, as well as audio and electrical appliance exhibitions throughout Taiwan. These activities help us understand industry trends and anticipate future product changes, allowing us to formulate appropriate countermeasures. Such measures include accelerating the clearance of existing inventory to gain a competitive advantage by introducing new products ahead of competitors.

Technological changes have contributed to product innovation for the Company’s main merchandise, creating new consumer demand. The Company’s sales format is primarily based on “payment first, delivery later,” and there are considerable monthly payment terms with upstream suppliers. This will not cause any negative impact on the financial front, and may generate the possibility of creating more revenue on the business front. Therefore, technological changes and industry transformations have an extremely positive influence on the Company.

(VI) Impact of corporate image changes on crisis management and countermeasures

The Company upholds the spirit of “professionalism and service,” having deeply cultivated the audio-visual home appliance market for decades. Through the brand positioning of “premium home appliances, all at GSeven,” we provide consumers with high-end, refined home appliance choices. With our “home appliance planner professional service,” we create a one-stop shopping experience

that covers pre-sale planning, space design, installation adaptation, and “pre-sale planning, after-sales care service,” ensuring customers enjoy seamless all-around service.

(VII) Expected benefits, possible risks, and countermeasures for mergers and acquisitions

As of the latest printing date of the annual report, the Company has no merger and acquisition plans.

(VIII) Expected Benefits, Possible Risks, and Countermeasures for Plant Expansion

As of the latest printing date of the annual report, the Company has no plans for plant expansion.

(IX) Risks and Countermeasures for Concentrated Purchases or Sales

1. Procurement

The Company’s suppliers are primarily brand companies’ Taiwan branches or authorized distributors. Main purchasing sources come from globally renowned manufacturers worldwide, including Taiwan, Japan, Korea, Europe, and the American regions. For products of similar nature, there are always two or more suppliers available, which helps diversify the risk of concentrated purchasing.

2. Sales

The Company’s sales are primarily to individual consumers, therefore there is no risk of concentrated sales.

(X) Impact and countermeasures for large transfers or changes in shareholding of directors or major shareholders holding more than 10% of shares

No such situation

(XI) Impact, risks, and countermeasures or changes in management control

No such situation

(XII) Material litigation, non-litigation, or administrative disputes, either concluded or still pending, involving the Company, its directors, president, de facto responsible persons, major shareholders holding more than 10% of shares, and subsidiaries, which might materially affect shareholders’ equity or securities prices

No such situation

(XIII) Other important risks and countermeasures

No such situation

VII. Other important matters

No such situation

Six. Special Recorded Items

I. Information on affiliated enterprises

Please refer to the Market Observation Post System.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

Path for reference:

Market Observation Post System > Single Company > Electronic Document Download > Related Enterprise Documents Section

II. Status of private placement of securities in the most recent year and as of the printing date of the annual report

No such situation.

III. Other necessary supplementary information

No such situation.

IV. Events having a significant impact on shareholders' equity or securities prices as specified in Paragraph 2, Subparagraph 3, Article 36 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report

No such situation.

GSeven Co., Ltd.

Responsible person: Lu, Chien-San

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