

三集雅社

Stock Ticker 2937



2025 Annual Report

Annual Report Inquiry Website | MOPS

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Futures Bureau for Information Reporting

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Printed on May 20, 2026

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://gseven.com.tw/>

Gseven Co., Ltd.

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One. Letter to Shareholders

Dear Ladies and Gentlemen,

Despite the unfavorable market conditions last year, the diligent efforts of the Company's management team and all employees resulted in significant growth across the Company's primary distribution channels, including department store counters, e-commerce platforms, and retail stores.

The Company's consolidated operating revenue for 2025 was NTD 5,195,650 thousand, representing an increase of NTD 553,046 thousand compared to the consolidated operating revenue of NTD 4,642,604 thousand for the same period last year; net income after tax was NTD 176,795 thousand, representing an increase of NTD 23,812 thousand compared to the net income after tax of NTD 152,983 thousand for the same period last year; basic earnings per share after tax was NTD 4.06, representing a growth of NTD 0.55 compared to the basic earnings per share after tax of NTD 3.51 for the same period last year. The Company's consolidated operating results for 2025 are reported as follows:

I. 2025 Operating Results

(I) Business Plan Implementation Results:

Unit: NT\$1,000 / Basic earnings per share: NT\$

Items	2025	2024	Amount of increase/decrease	Percentage of increase/decrease
Consolidated revenue	5,195,650	4,642,604	553,046	11.91%
Consolidated gross profit	1,148,135	1,073,277	74,858	6.97%
Net income before tax	220,185	192,115	28,070	14.61%
Net income after tax	176,795	152,983	23,812	15.57%
Basic earnings per share (NT\$)	4.06	3.51	0.55	15.67%

(II) Execution of Budget:

The Company's consolidated operating revenue for 2025 was NTD 5,195,650 thousand, with a consolidated operating revenue budget of NTD 5,100,000 thousand, achieving an accomplishment rate of 101.88%.

(III) Analysis of Financial Income, Expenditure and Profitability:

Unit: % / Earnings Per Share: NT\$

Items	2025	2024	
Financial Structure	Debt to Asset Ratio	69.19	69.77
	Long-term Capital to Property, Plant and Equipment Ratio	173.81	163.19
Debt Servicing Capability	Current ratio	112.10	112.84
	Quick ratio	60.61	61.28
Profitability	Return on Assets	5.34	4.95
	Return on Equity	16.43	15.47
	Net profit margin	3.40	3.30
	Earnings Per Share	4.06	3.51

II. Summary of 2026 Business Plan

The Gseven Group's management principles, expected sales volume and its basis, and important production and marketing policies are as follows:

The Company continues to maintain its core positioning as a "distributor of high-quality audiovisual home appliances and lifestyle solutions." In response to changes in distribution structures, consumer behavior, and residential patterns, the Company is gradually transitioning from individual product sales toward scenario-based, solution-based, and service-oriented business models to enhance overall operational stability and long-term competitiveness.

(I) Deepening strategic cooperation between department stores/shopping malls and premium home appliance brands:

The Company will continue to cooperate with high-quality domestic chain shopping malls and premium home appliance brands. By leveraging the goodwill and customer trust accumulated through the long-term operations of the three parties, the Company aims to steadily expand its business locations, broaden the overall service network, and strengthen the differentiated competitive advantages of its channels and brands.

(II) Diversified channel layout to reduce the risk of reliance on a single system:

The Company does not focus exclusively on the operation of a single shopping mall system, but rather pursues the balanced development of various types of chain malls and channel outlets to increase the reach of potential customer segments for audiovisual and household appliances across Taiwan, while simultaneously strengthening operational flexibility and risk resilience.

(III) Actively developing street-level stores in key metropolitan areas:

The Company continues to expand its street-level store locations in key metropolitan areas to enhance the immediacy of neighborhood services across various cities and counties. These locations serve as vital display and service nodes outside of department store channels, further increasing the visibility and service depth of the channel brand beyond shopping malls.

(IV) Transitioning from individual product sales to professional planning and one-stop services:

In addition to maintaining existing core product groups with high added value and high sales proportions, the Company will continue to introduce trend-setting and potential products that align with market trends, and replace single-product sales with professional planning services. By integrating audio-visual, air conditioning, kitchen, and home living-related equipment, the Company aims to satisfy consumers' needs for one-stop shopping and long-term usage.

(V) Deepen member engagement and enhance the value of high-loyalty customer segments:

The Company continues to implement its membership points system, providing differentiated rewards and incentives based on membership tiers to enhance the member service experience, while focusing on the long-term management of high-loyalty members to increase repurchase rates and customer lifetime value.

(VI) Strengthen integration capabilities for air conditioning and air handling projects:

The Company has established comprehensive capabilities in the planning and installation of air conditioning and air treatment products, capturing significant market opportunities in installation and replacement. Furthermore, the Company leverages such projects to drive the overall sales of other home appliance products, enhancing the total value and incremental benefits of each project.

(VII) Introduce sophisticated small household appliances and lifestyle products to enhance experiential value:

In addition to the display and sale of large household appliances, the Company is actively introducing a diverse range of sophisticated small appliances and lifestyle products to enrich the level of experience at its business locations, extend customer dwell time, and create cross-category composite sales opportunities.

III. Future Company Development Strategy

(I) Strengthening Company Competitiveness

1. Consolidate channel advantages and deepen strategic partnerships with suppliers:

The Company will continue to leverage its channel advantages, deepen strategic partnerships with major suppliers, and keep abreast of market trends to secure exclusive merchandise, priority display of new products, or differentiated items, thereby enhancing channel recognition and competitive barriers.

2. Deepen cooperation with department stores and expand diversified channel locations:

In addition to continuing to deepen long-term and stable cooperation with department stores, the Company will also actively expand business locations in other channels to enlarge its scale of operations and market coverage through methods such as establishing new counters and introducing new brands or product lines.

3. Build a high talent density organization and enhance professional service capabilities:

The Company will continue to increase the salary levels of its operating and administrative personnel to attract and retain high-quality professional talent. Through clear division of labor and continuous training, the Company aims to build a team with high talent density to respond to the rapidly changing market environment in the post-pandemic era.

4. Classified management of business locations to implement differentiated operations:

Classified management is implemented for existing business locations based on regional characteristics and customer base structures. Differentiated planning is adopted for everything from product selection and allocation to display methods and promotional activities, implementing segmented marketing to enhance the operational efficiency and market suitability of each location.

5. Develop diversified sales models to create structural growth:

The Company continues to collaborate with home appliance brands to promote monthly rental and project-based schemes, expanding into diverse demand segments such as commercial enterprises, landlord leasing, newlyweds, and small families, thereby creating sustainable structural growth momentum on the basis of its existing business scale.

(II) Expanding Differentiation and Long-term Competitive Thresholds

1. Development of private labels and exclusive merchandise:

The Company will gradually increase the proportion of its private labels and exclusive merchandise to enhance brand recognition and channel loyalty among consumers, thereby optimizing the product mix and overall gross margin performance.

2. Integrating department store and financial resources to enhance exclusive value for members:

The Company cooperates with department stores and credit card companies to provide members with diverse rewards such as VIP privileges and bonus point accumulation, and commits to after-sales service, warranties, and the protection of rights and interests for customers, thereby strengthening consumer trust and long-term relationships.

3. Creating high-end audio experiences and deepening the connection between culture and brand:

The Company has incorporated premium audio systems costing millions at its sales locations, creating boutique-quality experience spaces, and has hosted music seminars and related promotional activities in various regions to support music industry performers and cultivate music literacy among employees and consumers, thereby forming a positive cycle between music culture and audio sales.

4. Integrating AIoT with Professional Services of Home Appliance Planners:

In response to the home appliance smart technology trend, the Company integrates the professional services of home appliance planners and consolidates the smart management functions of various home appliance products, leveraging AIoT product capabilities to enhance customer after-sales satisfaction and user experience.

5. Expand high-growth lifestyle categories to satisfy comprehensive home needs:

The Company is actively developing product categories that can be integrated with existing home appliance sales, including high-growth market products such as daily consumer goods, health appliances, and pet appliances, to provide comprehensive services for consumers' daily home life needs.

IV. Impact of external competitive environment, regulatory environment, and overall operating environment

In response to the external competitive environment, the Company recognizes that healthy competition contributes to expanding market scale and continues to monitor opportunities for cooperation with cross-industry and peer entities, addressing market competition dynamics with a positive attitude.

In response to the government's promotion of net-zero emission policies and relevant energy-saving regulations, as well as the continuous provision of subsidy measures for energy-saving household appliances, the Company, in addition to actively complying with government policy requirements, also regards energy-saving subsidies as a significant opportunity to drive structural replacement in the market. The Company aims to expand policy benefits and transform them into actual operational momentum through the following measures:

(I) Strengthen the integration of energy-saving subsidy information and communication at the sales front-end:

The Company will continue to consolidate the details of various government energy-saving subsidy policies and, through store personnel training, sales tools, and digital platforms, assist consumers in clearly understanding subsidy conditions and application processes, thereby lowering the threshold for replacement decisions and increasing the closing rate of energy-saving products.

(II) Combining energy-saving subsidies to promote trade-ins and project sales:

In alignment with energy-saving subsidy policies, the Company has planned replacement and integrated sales projects, incorporating high-efficiency air conditioners, refrigerators, washing machines, and air treatment products into comprehensive solutions. Through professional planning services, the Company aims to enhance the value of individual projects while accelerating the release of market demand for equipment replacement.

(III) Optimize product mix and inventory allocation guided by energy-saving policies:

The Company will continue to adjust its product structure in accordance with energy-saving regulations and subsidy policy trends, increase the sales proportion of high energy-efficiency rating products, and optimize inventory allocation to mitigate the impact of regulatory adjustments on operations and enhance overall product turnover efficiency.

(IV) Expanding the extended benefits of policies through project installation and after-sales services:

The Company leverages its existing air conditioning and home appliance installation service capabilities to assist consumers in completing the installation and use of energy-saving equipment, and provides subsequent maintenance and consulting services to enhance customer satisfaction and transform one-time policy subsidies into long-term customer relationships.

As rising warehousing and logistics costs exert pressure on overall profit margins, the Company has allocated short-chain logistics to distribute warehousing demand across Taiwan and implemented real-time electronic data interchange with logistics providers. These measures enhance operational efficiency and reduce resource waste, helping to mitigate the impact of rising costs and maintain stable profitability.

In the ESG aspect, the Company is committed to being a responsible corporate citizen, continuously promoting energy-saving and emission-reduction measures in response to the government's net-zero emissions policy, and assisting society in energy conservation and carbon reduction by providing high-efficiency products; in terms of social responsibility, the Company strengthens its connection with the community, provides reasonable prices and high-quality services at its stores throughout Taiwan, and supports local development; meanwhile, it continues to strengthen internal control and risk management mechanisms to ensure the transparency and robustness of the Company's 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) Director:

1. Profiles of Directors:

April 25, 2026; 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	Relationship	
Chairman	Taiwan	Lu, Chien-San	Male Aged 56-60	2025/06/19	3 Years	1994/10/26	620,000	1.57	682,000	1.57	—	—	4,540,425	10.43	EMBA, College of Management, National Sun Yat-sen University; Chairman of Gseven Co., Ltd.	Supervisor of Chien Chun Co., Ltd.; Supervisor of Ji Sheng Shi Co., Ltd.	—	—	—	—
Director	Taiwan	Su, Tsai-Chi	Male Aged 51-55	2025/06/19	3 Years	2007/06/27	354,390	0.89	389,829	0.90	—	—	—	—	EMBA, College of Management, National Sun Yat-sen University; General Manager of Gseven Co., Ltd.	Chairman of Gshare Co., Ltd.; Supervisor, Yuanding Co., Ltd.	—	—	—	—
Director	Taiwan	Yu, Kun-Hsi	Male Aged 61-65	2025/06/19	3 Years	2011/11/11	953,094	2.41	897,803	2.06	—	—	—	—	Department of Electronic Engineering, Cheng Shiu University; Vice President of General Administration Division, Gseven Co., Ltd.	Chairman, Ji Yue Investment Co., Ltd.	—	—	—	—
Independent Director	Taiwan	Ji Li Investment Co., Ltd.	—	2025/06/19	3 Years	2011/11/11	6,960,945	17.59	7,657,039	17.58	—	—	—	—	Investment companies	None.	—	—	—	—

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	Relationship	
	Taiwan	Institutional Director Representative Hsu, Liang-Chung	Male Aged 56-60	2025/06/19	3 Years	—	100,495	0.25	110,544	0.25	2,453	0.01	—	—	Department of Electronics, Yung Ta Institute of Technology & Commerce; Manager, Quality Assurance Department, Yudasun Co., Ltd	None.	—	—	—	
Independent Director	Taiwan	Lai, Hsin-Chung	Male Aged 46-50	2025/06/19	3 Years	2022/06/15	—	—	—	—	—	—	—	—	Department of Accounting, National Taichung University of Science and Technology; Practicing CPA, Shou Hsien CPA Firm.	Independent Director of Lian Shang Real Estate Co., Ltd.; Independent Director, Chang Kuang Precision Co., Ltd.	—	—	—	—
Independent Director	Taiwan	Li, Yung-Ting	Female Aged 46-50	2025/06/19	3 Years	2025/06/19	—	—	—	—	—	—	—	—	Department of Accounting, College of Business, Chinese Culture University; Practicing CPA, Peichen CPA Firm.	None.	—	—	—	—
Independent Director	Taiwan	Wang, Chou-Chen	Male Aged 56-60	2025/06/19	3 Years	2016/02/26	—	—	—	—	—	—	—	—	Ph.D. in Electrical Engineering, National Cheng Kung University; Dean of the College of Intelligent Technology, I-Shou University; Professor, Department of Electronic Engineering, College of Intelligent Technology, I-Shou University.	None.	—	—	—	—
Independent Director	Taiwan	Chao, Chang-Ju	Male Aged 46-50	2022/06/15	3 Years	2020/06/16	—	—	—	—	—	—	—	—	Managing director, Gao Teng Accounting Firm; Bachelor, Financial Management, National	Independent Director, Gongin Precision Industrial Co., Ltd.	—	—	—	Note 1

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	Relationship	
														Kaohsiung First University of Science and Technology; Master of Business Administration, National Kaohsiung University of Applied Sciences.						
Independent Director	Taiwan	Chen, Ya-Chuan	Female Aged 56-60	2022/06/15	3 Years	2016/02/26	—	—	—	—	—	—	—	Master of Law, National Chung Cheng University; Practicing Attorney, Sincere & Partners.	None.	—	—	—	Note 1	

Note 1: Stepped down upon the full re-election of directors on June 19, 2025.

Note 2: 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 25, 2026

Institutional Shareholder Name	Major Shareholders of Institutional Shareholders	Shareholding percentage
Ji Li Investment Co., Ltd. (Representative Hsu Liang-Chung)	Li, Li-Nien	63.65%
	Lu, Chien-San	36.32%
	Lu, Ching-Liang	0.03%

(2) Major shareholders of the institutional shareholders listed in the table above

April 25, 2026

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 public companies in which the individual concurrently serves as an 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.	1.Does not have a second-degree relative relationship with other directors or executives. 2.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.	1.Also serves as director of the Company's affiliated enterprise (100% owned subsidiary). 2.Does not have a second-degree relative relationship with other directors or executives. 3.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.	1.The top ten corporate shareholders of the Company. 2.Does not have a second-degree relative relationship with other directors or executives. 3.No business, legal, financial, accounting, or other related services were provided to the Company.	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.	1.The top ten individual shareholders of the Company 2.Does not have a second-degree relative relationship with other directors or executives. 3.There is no requirement under the Company Act to be elected as an institutional or its representative.	0

<p>Independent Director Lai, Hsin-Chung</p>	<p>Graduated from the Department of Accounting, National Taichung Institute of Technology, currently a practicing CPA at Shou Hsien CPA Firm, holding professional qualifications for the national examination for CPAs with relevant certificates as a specialized professional and technical personnel, and without any circumstances listed in the items of Article 30 of the Company Act.</p>	<p>The five directors listed on the left:</p> <p>1. All possess the independence qualifications for independent directors.</p> <p>2. Full compliance with independence requirements:</p>	<p>2</p>
<p>Independent Director Li, Yung-Ting</p>	<p>Graduated from the Department of Accounting, College of Commerce, Chinese Culture University; currently a practicing Certified Public Accountant at Peichen C.P.A. Firm; a professional and technical personnel who has passed the national examination for Certified Public Accountants and holds a certificate; and is not subject to any of the circumstances set forth in the items of Article 30 of the Company Act.</p>	<p>(1) Neither the individual, their spouse, nor relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or other affiliated enterprises.</p> <p>(2) I, my spouse, and relatives within the second degree of kinship do not hold any shares of the Company.</p>	<p>0</p>
<p>Independent Director Wang, Chou-Chen</p>	<p>Graduated with a Ph.D. in Electrical Engineering from National Cheng Kung University; currently serving as the Dean of the College of Intelligent Technology and a Professor in the Department of Electronic Engineering of the College of Intelligent Technology at I-Shou University; possesses the qualification of at least a lecturer at a public or private college or university in a relevant department required for the Company's business; and is not subject to any of the circumstances set forth in the items of Article 30 of the Company Act.</p>	<p>(3) Does not serve as a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange).</p>	<p>0</p>
<p>Independent Director Chen, Ya-Chuan (Note)</p>	<p>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 lawyers, and has no circumstances described in the various items of Article 30 of the Company Act.</p>	<p>(4) There was no 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.</p>	<p>0</p>
<p>Independent Director Chao, Chang-Ju (Note)</p>	<p>Graduated with a Master of Business Management from National Kaohsiung University of Applied Sciences; currently serving as the person in charge of Gao Teng CPA Firm; a specialized professional and technical personnel who has passed the national examination for Certified Public Accountants and holds the relevant certificate; and is not subject to any of the circumstances set forth in the items of Article 30 of the Company Act.</p>	<p>(4) There was no 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.</p>	<p>1</p>

Note: Stepped down upon the full re-election of directors on June 19, 2025.

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 information technology 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 technology.
- (5) Implementation of Board Diversity by the Company in 2025:

Items	Diversification															
	Gender	Concurrent position Employees of the Company	Age				Term of Office of Independent Director			Industry Experience	Operation and Management	Leadership Decision- Making	Industry Knowledge	Financial Accounting	Laws	Information Technology
			46 50	51 55	56 60	61 65	3 Years under	4~6 Years	7~9 Years							
Board Members																
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 Lai, Hsin-Chung	Male	✓						✓	✓	✓		✓	✓			
Independent Director Li, Yung-Ting	Female	✓				✓			✓	✓		✓	✓			
Independent Director Wang, Chou-Chen	Male			✓		✓			✓			✓				✓
Independent Director Chen, Ya-Chuan(Note)	Female			✓				✓	✓	✓		✓		✓		
Independent Director Chao, Chang-Ju(Note)	Male	✓						✓	✓	✓		✓	✓			

Note: Stepped down upon the full re-election of directors on June 19, 2025.

(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 information technology or accounting expertise.	Achieved
Directors concurrently serving as company executives do 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 2025, 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
Lai, Hsin-Chung		No	No such situation	No		No such situation
Li, Yung-Ting		No	No such situation	No		No such situation
Wang, Chou-Chen		No	No such situation	No		No such situation
Chen, Ya-Chuan(Note)		No	No such situation	No		No such situation
Chao, Chang-Ju(Note)		No	No such situation	No		No such situation

Note: Stepped down upon the full re-election of directors on June 19, 2025.

(II) Information on President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices:

April 25, 2026

Title	Nationality	Name	Gender	Election (Inauguration) Date	Shares held		Spouse and minor children Shares held by children		Using the names of others Shares held		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	Relationship	
President	Taiwan	Hsieh, Shu-min	Female	2024/01/01	191,000	0.44	—	—	—	—	Master of Human Resource Management, National Sun Yat-Sen University; Chief of Staff, General Management Office, Gseven Co., Ltd.	—	—	—	—	—
Vice President	Taiwan	Ho, Cheng-Feng	Male	2024/01/01	1,984	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				2023/11/01												
Chief Financial Officer				2023/11/01												
Chief Sustainability Officer				2025/05/06												
Operation Division Assistant Vice President	Taiwan	Shen, Chih-Kai	Male	2024/01/01	13,365	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, 2025 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
		Remuneration (A)		Severance Pay and Pension (B)		Remuneration to Directors HIS		Business Execution Expenses (D)				Salaries, Bonuses and Allowances HIS		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			
Chairman	Lu, Chien-San	3,563	3,563	—	—	1,295	1,295	12	12	4,870	4,870	—	—	—	—	—	—	—	—	4,870	4,870	—
										2.75%	2.75%									2.75%	2.75%	
Director	Su, Tsai-Chi	—	—	—	—	826	826	14	14	840	840	—	—	—	—	—	—	—	—	840	840	—
										0.48%	0.48%									0.48%	0.48%	
Director	Yu, Kun-Hsi	—	—	—	—	265	265	14	14	279	279	—	—	—	—	—	—	—	—	279	279	—
										0.16%	0.16%									0.16%	0.16%	
Institutional Director Representative	Hsu, Liang-Chung, Ji Li Investment Co., Ltd.	—	—	—	—	265	265	35	35	300	300	—	—	—	—	—	—	—	—	300	300	—
										0.17%	0.17%									0.17%	0.17%	
Independent Director	Lai, Hsin-Chung	—	—	—	—	200	200	35	35	235	235	—	—	—	—	—	—	—	—	235	235	—
										0.13%	0.13%									0.13%	0.13%	
Independent Director	Li, Yung-Ting (Note 1)	—	—	—	—	107	107	20	20	127	127	—	—	—	—	—	—	—	—	127	127	—
										0.07%	0.07%									0.07%	0.07%	
Independent Director	Wang, Chou-Chen (Note 1)	—	—	—	—	107	107	20	20	127	127	—	—	—	—	—	—	—	—	127	127	—
										0.07%	0.07%									0.07%	0.07%	
Independent Director	Chen, Ya-Chuan (Note 2)	—	—	—	—	93	93	15	15	108	108	—	—	—	—	—	—	—	—	108	108	—
										0.06%	0.06%									0.06%	0.06%	
Independent Director	Chao, Chang-Ju (Note 2)	—	—	—	—	93	93	15	15	108	108	—	—	—	—	—	—	—	—	108	108	—
										0.06%	0.06%									0.06%	0.06%	

1. 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.

2. 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: Assumed office upon the full re-election of directors on June 19, 2025.

Note 2: Stepped down upon the full re-election of directors on June 19, 2025.

(II) Remuneration to the President and Vice Presidents:

December 31, 2025 Unit:NT\$1,000

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances HIS		Remuneration to Employees(D)				Total amount of items A, B, C, and D and their ratio to profit after tax (%)		Remuneration received from invested companies 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	5,043	5,043	205	205	—	—	1,325	—	1,325	—	6,573	6,573	—
Vice President	Ho, Cheng-Feng											3.72%	3.72%	

Remuneration Brackets Table

Remuneration Brackets for Individual Presidents and Vice Presidents of the Company	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)	Ho, Cheng-Feng	Ho, Cheng-Feng
NT\$3,500,000 (inclusive) – 5,000,000 (exclusive)	Hsieh, Shu-min	Hsieh, Shu-min
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, 2025 Unit:NT\$1,000

Executives	Title	Name	Amount of Shares	Cash Amount	Total	Total amount as a percentage of net income after tax
	President	Hsieh, Shu-min	—	1,905	1,905	1.08%
	Vice President	Ho, Cheng-Feng				
	Corporate Governance Officer					
	Chief Financial Officer					
	Chief Sustainability 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 for the most recent two fiscal years, 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. Ratio of total remuneration paid to net income after tax for the most recent two fiscal years:

Title	The Company's proportion as a percentage of net income after tax		Proportion of all companies within the consolidated financial statements to net income after tax	
	2024	2025	2024	2025
Director	3.58%	3.96%	3.58%	3.96%
President and Vice Presidents	3.61%	3.72%	3.61%	3.72%

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 NTD 200 thousand, 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 2025, 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) Operations of the Board of Directors:

In the most recent year (2025), the Board of Directors held 7 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	6	1	86%	June 19, 2025 Re-elected upon comprehensive re-election
Director	Su, Tsai-Chi	7	0	100%	June 19, 2025 Re-elected upon comprehensive re-election
Director	Yu, Kun-Hsi	7	0	100%	June 19, 2025 Re-elected upon comprehensive re-election
Director	Ji Li Investment Co., Ltd. Representative Hsu, Liang-Chung	7	0	100%	June 19, 2025 Re-elected upon comprehensive re-election
Independent Director	Lai, Hsin-Chung	7	0	100%	June 19, 2025 Re-elected upon comprehensive re-election
Independent Director	Li, Yung-Ting	4	0	100%	June 19, 2025 Assumed office upon comprehensive re-election
Independent Director	Wang, Chou-Chen	4	0	100%	June 19, 2025 Assumed office upon comprehensive re-election
Independent Director	Chen, Ya-Chuan	3	0	100%	June 19, 2025 Stepped down upon comprehensive re-election
Independent Director	Chao, Chang-Ju	3	0	100%	June 19, 2025 Stepped down upon comprehensive re-election

Other items to be recorded:

1. 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:
 - (1) 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.
 - (2) Apart from the aforementioned matters, other board resolutions where independent directors expressed objections or reservations and have records or written statements: No such situation.

2. 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:

Board of Directors Term and Date	Proposal Content	Reasons for and circumstances of recusal due to conflicts of interest
<p>16th Meeting of the 11th Term 2025/01/21</p>	<p>Discussion Item 1: The Company's year-end bonus distribution to company executives for 2024.</p>	<p>Summary of Proceedings: In this matter, Chairman Lu, Chien-San and the attending managers recused themselves and left the meeting due to conflicts of interest.</p> <p>Resolution: In this case, Chairman Lu, Chien-San recused himself and left the meeting due to a conflict of interest, and did not participate in the discussion or voting on this matter; This case has been approved by the Remuneration Committee and was passed without objection as proposed after the Acting Chairman, Director Yu Kun-Hsi, consulted all attending directors.</p>
<p>17th Meeting of the 11th Term 2025/03/11</p>	<p>Discussion Item 1: The Company's 2025 salary adjustment proposal for executives.</p>	<p>Summary of Proceedings: In this matter, Chairman Lu, Chien-San and the attending managers recused themselves and left the meeting due to conflicts of interest.</p> <p>Resolution: In this case, Chairman Lu, Chien-San recused himself and left the meeting due to a conflict of interest, and did not participate in the discussion or voting on this matter; This case has been approved by the Remuneration Committee and was passed without objection as proposed after the Acting Chairman, Director Yu Kun-Hsi, consulted all attending directors.</p>
<p>18th Meeting of the 11th Term 2025/05/06</p>	<p>Discussion Item 5: The Company's 2024 remuneration for directors and employee remuneration for executives.</p>	<p>Summary of Proceedings: In this matter, Chairman Lu, Chien-San and the attending managers recused themselves and left the meeting due to conflicts of interest.</p> <p>Resolution: In this case, Chairman Lu, Chien-San recused himself and left the meeting due to a conflict of interest, and did not participate in the discussion or voting on this matter; This case has been approved by the Remuneration Committee and was passed without objection as proposed after the Acting Chairman, Director Yu Kun-Hsi, consulted all attending directors.</p>

3. Board Evaluation Implementation:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
Annual Evaluation	2025/01/01 2025/12/31	Board of Directors Performance Evaluation	Self-Evaluation of Board Members	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	4.87 (Rated as excellent and submitted to the Board of Directors meeting on February 10, 2026)
		Individual Board Member Performance Evaluation	Self-Evaluation of Board Members	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	4.95 (Rated as excellent and submitted to the Board of Directors meeting on February 10, 2026)
		Audit Committee Performance Evaluation	Self-Evaluation of Audit Committee Members	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	5.00 (Rated as excellent and submitted to the Board of Directors meeting on February 10, 2026)
		Remuneration Committee Performance Evaluation	Remuneration Committee Member Self-Evaluation	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	5.00 (Rated as excellent and submitted to the Board of Directors meeting on February 10, 2026)
		Sustainable Development Committee Performance Evaluation	Sustainable Development Committee Member Self-Evaluation	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	5.00 (Rated as excellent and submitted to the Board of Directors meeting on February 10, 2026)

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
Once Three Years	2023/12/01 2024/11/30	Board Effectiveness 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, a written review of the relevant documents provided by the Company for assessment was conducted via 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 uses its recommendations for improvement as a reference for continuously strengthening the functions of the Board of Directors. The following evaluation results and recommendations were reported to the Board of Directors on March 11, 2025, and the results of the completed improvements were reported to the Board of Directors on August 5, 2025.</p> <p>1. Evaluation Results:</p> <p>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.</p> <p>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:</p> <p>Suggestion for Improvement:</p> <p>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:</p> <p>The Company completed the establishment of a new director orientation system in July 2025 to help new directors understand the Company's business, industry trends, legal regulations, directors' rights and obligations, and continuing education measures.</p>

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
					<p>Suggestion for Improvement: The Company has established an “Investor Relations” section on its official website, under which “Sustainability – Ethical Management” discloses information regarding whistleblowing methods and channels (Corporate Governance Officer hotline and email / Internal Audit Officer hotline and email / individual emails 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: The Company completed the establishment of 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. The revision of the Whistleblowing Policy for Illegal, Immoral, or Dishonest Conduct was completed in July 2025.</p> <p>Suggestion for Improvement: 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: The Company completed the amendment of the procedures for major unexpected incidents through a resolution of the Board of Directors in August 2025.</p>

4. 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 5, 2025.

(II) Information on the Operation 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) 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) Material non-audit services by the certifying CPA; material non-financial 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) Management and control of material risks.
- (18) Material information disclosure, information network security.
- (19) Material donations.
- (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 2025 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 PwC Taiwan, 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, 2025 (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 12, 2026, the Third Audit Committee at its 6th meeting and the 12th Board of Directors at its 6th meeting approved that CPAs Wu, Chien-Chih and Liao, A-Shen from PwC Taiwan meet the independence evaluation standards and are qualified to serve as the Company’s CPAs for financial and tax attestation for 2026.

5. Information on the Operation of the Audit Committee

In the most recent year (2025), the Audit Committee has held 7 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	Lai, Hsin-Chung	7	0	100%	June 19, 2025 Re-elected upon comprehensive re-election
Independent Director	Li, Yung-Ting	4	0	100%	June 19, 2025 Assumed office upon comprehensive re-election
Independent Director	Wang Chou-Chen	4	0	100%	June 19, 2025 Assumed office upon comprehensive re-election
Independent Director	Chen, Ya-Chuan	3	0	100%	June 19, 2025 Stepped down upon comprehensive re-election
Independent Director	Chao, Chang-Ju	3	0	100%	June 19, 2025 Stepped down upon comprehensive re-election

Other items to be recorded:

- 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:

(1) 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
<p>The 15th meeting of the 2nd term 2025/01/21</p>	<ol style="list-style-type: none"> 1. The Company's provision of endorsements/guarantees for subsidiaries. 2. Renewal of the Company's bank transactions and application for increased credit lines. 3. Amendment of the Company's "Articles of Incorporation". 	<p>Unanimously approved by all attending committee members.</p>	<p>Submitted to the board of directors and unanimously approved by all attending directors.</p>
<p>The 16th meeting of the 2nd term 2025/03/11</p>	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company's 2024 Business Report and Financial Statements. 2. The Company's 2024 earnings distribution proposal. 3. Proposal for issuance of new shares via capitalization of earnings. 4. Evaluation of the independence and suitability of the Company's certifying CPAs. 5. Engagement of Certified Public Accountants for 2025. 6. Pre-approval of non-assurance services to be provided by CPAs, their accounting firms, and affiliates to the Company and its subsidiaries. 7. The Company's 2024 Internal Control Self-Assessment "Internal Control System Statement". 8. Change of the Company's seal custodian. 9. Proposal for the Company's fund lending to subsidiaries. 10. Amendment to the Company's "Articles of Organization for Employee Stock Ownership Plan". 11. Amendment to the Company's "Employee Stock Ownership Trust Savings Regulations". 	<p>Unanimously approved by all attending committee members.</p>	<p>Submitted to the board of directors and unanimously approved by all attending directors.</p>
<p>The 17th meeting of the 2nd term 2025/05/06</p>	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company's financial statements for the first quarter of 2025. 2. Proposal for the Company's fund lending to subsidiaries. 3. The Company's provision of endorsements/guarantees for subsidiaries. 4. Renewal of the Company's bank transactions and application for increased credit lines. 	<p>Unanimously approved by all attending committee members.</p>	<p>Submitted to the board of directors and unanimously approved by all attending directors.</p>
<p>The 1st meeting of the 3rd term 2025/06/19</p>	<p>Proposal for the election of the convener of the Company's third Audit Committee.</p>	<p>Unanimously agreed by all attending committee members Served by Committee Member Lai, Hsin-Chung Convener and Chairperson.</p>	<p>Not applicable.</p>
<p>The 2nd meeting of the 3rd term 2025/07/09</p>	<ol style="list-style-type: none"> 1. Proposal for the determination of the record date and related matters for the issuance of new shares through the capitalization of earnings for 2025. 2. Proposal for defining the scope of the Company's non-managerial employees. 3. Change of the Company's seal custodian. 	<p>Unanimously approved by all attending committee members.</p>	<p>Submitted to the board of directors and unanimously approved by all attending directors.</p>

Audit Committee Term and Date	Proposal Content	Resolution Result	The Company's handling of members' opinions
<p>The 3rd meeting of the 3rd term 2025/08/05</p>	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company's financial statements for the second quarter of 2025. 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. Proposal for the amendment of the Company's "Reporting Procedures for Material Unexpected Incidents". 	<p>Unanimously approved by all attending committee members.</p>	<p>Submitted to the board of directors and unanimously approved by all attending directors.</p>
<p>The 4th meeting of the 3rd term 2025/11/03</p>	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company's financial statements for Q3 2025. 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. The Company and its subsidiaries' 2026 "Annual Audit Plan". 5. The Company's 2026 annual budget. 6. Proposal for the Amendment to the Company's "Procedures for Acquisition or Disposal of Assets". 7. Proposal for the amendment to the Company's "Internal Control System" and "Internal Audit System". 8. Proposal for the amendment of the Company's "Sustainable Development Best-Practice Principles". 	<p>Unanimously approved by all attending committee members.</p>	<p>Submitted to the board of directors and unanimously approved by all attending directors.</p>

(2) 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.

2. 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.

3. 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):

(1) 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.

(2) 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.

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

Date	Attendees	Communication Matters	Communication Results
2025/01/21	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 November-December 2024. 2. Follow-up report on previous deficiencies.	1. Approved without objection. 2. Approved without objection.
2025/03/11	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 January 2025. 2. Follow-up report on previous deficiencies. 3. Report on the Declaration of Internal Control System.	1. Approved without objection. 2. Approved without objection. 3. For the board of directors' resolution.
2025/05/06	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 January-March 2025. 2. Follow-up report on previous deficiencies. 3. Report on the follow-up results of deficiencies for Q1 2025.	1. Approved without objection. 2. Approved without objection. 3. Approved without objection.
2025/08/05	Independent Director Lai, Hsin-Chung Independent Director Li, Yung-Ting Independent Director Wang, Chou-Chen Head of Audit Lin Yu-Chen	1. Report on the execution results of audit operations from March to June 2025. 2. Follow-up report on previous deficiencies. 3. Report on the follow-up results of deficiencies for Q2 2025.	1. Approved without objection. 2. Approved without objection. 3. Approved without objection.
2025/11/03	Independent Director Lai, Hsin-Chung Independent Director Li, Yung-Ting Independent Director Wang, Chou-Chen Head of Audit Lin Yu-Chen	1. Report on the audit operations execution results for July–September 2025. 2. Follow-up report on previous deficiencies. 3. Report on the 2026 Audit Plan.	1. Approved without objection. 2. Approved without objection. 3. For the board of directors' resolution.

(4) Summary of the communication between the independent directors and the CPAs:

Date	Attendees	Communication Matters	Communication Results
2025/03/11	Independent Director Chao, Chang-Ju Independent Director Chen, Ya-Chuan Independent Director Lai, Hsin-Chung CPA Liao A-Shen	1. Explanation of the audit of the 2024 financial reports. 2. Statement of independence and suitability of the certifying CPAs. 3. Report on the Company's financial and business status. 4. Legal updates.	The independent directors did not raise any other opinions.
2025/11/03	Independent Director Lai, Hsin-Chung Independent Director Li, Yung-Ting Independent Director Wang, Chou-Chen CPA Liao A-Shen	1. Explanation of the reviewed financial reports for Q3 2025. 2. Report on the Company's financial and business status. 3. Legal updates.	The independent directors did not raise any other opinions.

(III) Corporate governance operations and differences from the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies and the reasons:

Evaluation Items	Operation Status		Summary Description	Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
1. Has the Company established and disclosed Corporate Governance Best Practice Principles in accordance with the “Corporate Governance Best Practice Principles for TSEC/GTSM 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.
2. Company’s shareholding structure and shareholders’ rights				
(1) 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.
(2) 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.
(3) 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.
(4) 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.

Evaluation Items	Operation Status		Summary Description	Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
3. Composition and Responsibilities of the Board of Directors				
(1) Has the board of directors formulated a diversity policy, specific management objectives, and implemented them?	✓		Please refer to pages 11–12 of this annual report.	No difference.
(2) 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.
(3) 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 the “Board of Directors Performance Evaluation Regulations” at the board of directors meeting 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 a team of external experts and scholars. According to the regulations, evaluation results are to be reported to the board of directors in Q1 of the following year. For relevant evaluation information, please refer to pages 20–22 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.
(4) Does the Company regularly evaluate the independence of its CPAs?	✓		The Audit Committee of the Company evaluates the independence and suitability of the certifying CPAs on a regular basis every year, and subsequently submits the evaluation results to the Board of Directors. In addition to requiring the certifying CPAs to provide an “Independence Statement” and “Audit Quality Indicators (AQIs),” the Company also utilizes the AQI disclosure framework and templates issued by the Financial Supervisory Commission as objective reference indicators for the Company and the Audit Committee when selecting	No difference.

Evaluation Items	Operation Status		Summary Description	Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																																							
	Yes	No																																									
			<p>certifying CPAs. It has been confirmed that, other than fees for audit and tax-related engagements, the CPAs have no other financial interests or business relationships with the Company, and the family members of the CPAs do not violate independence requirements; furthermore, with reference to Audit Quality Indicator (AQI) information, it has been confirmed that the certifying CPAs and the firm exceed the industry average in terms of both audit experience and training hours.</p> <p>CPA Evaluation Standards:</p> <table border="1"> <thead> <tr> <th>Evaluation Items</th> <th>Evaluation Results</th> <th>Compliance with independence requirements</th> </tr> </thead> <tbody> <tr> <td>1. As of the most recent audit engagement, there has been no instance of a failure to rotate the certifying CPA 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 an entity where service was rendered within two years prior to practice shall not be audited or certified.</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> <tr> <td>9. There is no joint investment or benefit-sharing relationship with the Company and its affiliated enterprises.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>10. Does not receive fixed salary for regular work of the Company or its affiliated enterprises.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>11. Not involved in management functions that make decisions for the Company or its affiliated enterprises.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>12. Not engaged in any other business that may lose the independence.</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	Evaluation Items	Evaluation Results	Compliance with independence requirements	1. As of the most recent audit engagement, there has been no instance of a failure to rotate the certifying CPA 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 an entity where service was rendered within two years prior to practice shall not be audited or certified.	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	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	
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15. So far, there have been no penalties or violations of the independence principle.	Yes	Yes														
4. 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, on November 1, 2023, the Company announced that Mr. Ho, Cheng-Feng, Vice President of the General Administration Division, would serve as the Corporate Governance Officer.</p> <p>2. The corporate governance officer is responsible for corporate governance-related matters, with the following scope of authority:</p> <ol 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.												

Evaluation Items	Operation Status		Summary Description	Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No		
5. 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 various stakeholders, the Company periodically reports the results of such communications to the Board of Directors. The material topics of concern, communication frequency, and implementation status for various stakeholders in 2025 were reported to the Board of Directors on November 3, 2025.	No difference.
6. 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.
7. Information Disclosure				
(1) 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.
(2) 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.
(3) Does the Company announce and file its annual financial reports within two months after the end of the fiscal year, and announce and file its Q1, Q2, and Q3 financial reports and monthly operating results before the prescribed deadlines?	✓		The Company announces and files its annual financial reports within seventy-five days after the end of the fiscal year, and announces and files its Q1, Q2, and Q3 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.	No difference.

Evaluation Items	Operation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
8. 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' and supervisors' training, risk management policies and risk measurement standards implementation, customer policy implementation, and liability insurance for directors)?	✓		<p>1. Employee Rights and Interests 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 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>5. Directors' Training: All Company directors have completed required training courses as stipulated by regulations. Please refer to page 59-60 of this annual report for details.</p> <p>6. Implementation Status of Risk Management Policies and Risk Measurement Standards: The Board of Directors of the Company approved the establishment of the "Risk Management Policies and Procedures" on November 2, 2020. To implement the risk management mechanism, the Company conducts risk assessment operations on a regular basis every year. The risk management report was submitted to the Board of Directors on November 3, 2025, to ensure the effective operation and implementation of the Company's risk management.</p>

Evaluation Items	Operation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			<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 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 liability insurance purchased for directors: To mitigate risks and diversify the risk of significant losses to the Company and its shareholders resulting from errors or omissions by directors and officers, the Company has obtained liability insurance for its directors and officers. The insurance status was reported to the Board of Directors on August 5, 2025.</p>

9. 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 and measures for items that have not yet been improved:

Improved items of the 2025 Corporate Governance Evaluation indicators:

Item No.	Evaluation Indicators	Status of Improvement
1.7	Did the Company upload the Chinese and English versions of the shareholders' meeting agenda handbook and supplemental meeting materials 30 days prior to the date of the annual general meeting of shareholders, and upload the Chinese and English versions of the annual report 18 days prior to the date of the annual general meeting of shareholders?	Achieved
1.18	Does the Company record the key details of shareholder inquiries and the Company's responses in the minutes of the Annual General Meeting?	Achieved
2.17	Does the Company's Board of Directors regularly (at least once a year) refer to Audit Quality Indicators (AQIs) to evaluate the independence and competence of the certifying CPAs, and disclose the evaluation procedures in detail in the annual report?	Achieved
3.5	Did the Company upload the annual financial report disclosed in English 18 days prior to the date of the annual general meeting of shareholders?[An additional one point shall be added to the total score if the interim financial report is disclosed in English within two months after the deadline for filing the Chinese version of the interim financial report.]	Achieved
3.13	Does the Company's annual report voluntarily disclose the individual remuneration of directors?	Achieved

Item No.	Evaluation Indicators	Status of Improvement
1.7	Did the Company upload the Chinese and English versions of the shareholders' meeting agenda handbook and supplemental meeting materials 30 days prior to the date of the annual general meeting of shareholders, and upload the Chinese and English versions of the annual report 18 days prior to the date of the annual general meeting of shareholders?	Achieved
1.18	Does the Company record the key details of shareholder inquiries and the Company's responses in the minutes of the Annual General Meeting?	Achieved
2.17	Does the Company's Board of Directors regularly (at least once a year) refer to Audit Quality Indicators (AQIs) to evaluate the independence and competence of the certifying CPAs, and disclose the evaluation procedures in detail in the annual report?	Achieved
3.5	Did the Company upload the annual financial report disclosed in English 18 days prior to the date of the annual general meeting of shareholders?[An additional one point shall be added to the total score if the interim financial report is disclosed in English within two months after the deadline for filing the Chinese version of the interim financial report.]	Achieved
3.13	Does the Company's annual report voluntarily disclose the individual remuneration of directors?	Achieved
4.10	Does the Company disclose personal safety and work environment protection measures for employees and the implementation thereof on its website and in its annual report?	Achieved
4.24	Has the sustainability report prepared by the Company been submitted to and approved by the Board of Directors?	Achieved
4.30	Has the Company established employee training and development plans to enhance employees' career capabilities, and disclosed the content and implementation status thereof?	Achieved
4.31	Does the Company regularly conduct employee satisfaction surveys and disclose the implementation status and improvement plans thereof?	Achieved
4.32	Has the Company established a personal data protection policy, and disclosed its content and implementation status?	Achieved
4.33	Has the Company established relevant policies and grievance procedures for the protection of consumer or customer rights and interests regarding issues such as customer health and safety, marketing, or labeling of products and services?	Achieved
4.34	Has the Company established a Sustainability Committee at the Board level, consisting of no fewer than three members who possess professional knowledge and competence in corporate sustainability, with at least one director participating in supervision, and are its composition, duties, and operation status disclosed?	Achieved

Priority enhancement items for 2025 Corporate Governance Evaluation indicators that have not yet been improved:

Item No.	Evaluation Indicators	Status of Improvement
3.16	Does the Company disclose information related to its list of major shareholders, finances, business, and corporate governance on its Chinese and English websites?	The Company will conduct an internal assessment.
4.7	Has the Company uploaded the English version of the Sustainability Report to the Market Observation Post System and the Company's website?	The Company will conduct an internal assessment.
4.25	Does the Company disclose its Greenhouse Gas (GHG) Scope 1 and Scope 2 emissions for the past two years?	The Company will conduct an internal assessment.

(IV) Information on the Operation of the Remuneration Committee:

1. Information of the Remuneration Committee Members

December 31, 2025

Type of Identity	Conditions Name	Professional Qualifications and Experience	Independence Status	Number of Other Publicly Listed Companies Where Serving as Independent Director
Independent Director	Lai, Hsin-Chung	Please refer to pages 6–8 for professional qualifications of directors and disclosure of related information on independence of independent directors.		2
Independent Director	Li, Yung-Ting			0
Independent Director	Wang, Chou-Chen			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) Term of office for the members of the current committee: July 9, 2025 to June 18, 2028. The Remuneration Committee held 4 meetings (A) in 2025. The qualifications and attendance of the 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)	Lai, Hsin-Chung	4	0	100%	2025/07/09 Appointment by the Board of Directors (Reappointment).
Independent Director	Li, Yung-Ting	1	0	100%	2025/07/09 Appointment by the Board of Directors.
Independent Director	Wang Chou-Chen	1	0	100%	2025/07/09 Appointment by the Board of Directors.
Independent Director	Chao, Chang-Ju	3	0	100%	2025/06/19 Stepped down upon comprehensive re-election.
Independent Director	Chen, Ya-Chuan	3	0	100%	2025/06/19 Stepped down upon comprehensive re-election.

Other items to be recorded:

1. 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.
2. 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.
3. 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 Term and Date	Proposal Content	Resolution Result	The Company's handling of members' opinions
The 6th meeting of the 3rd term 2025/01/21	The Company's year-end bonus distribution to company executives for 2024.	Unanimously approved by all attending committee members.	Submitted to the board of directors and unanimously approved by all attending directors.
The 7th meeting of the 3rd term 2025/03/11	<ol style="list-style-type: none"> 1. The Company's 2025 salary adjustment proposal for executives. 2. Amendment to the Company's "Directors' Remuneration Payment Guidelines". 3. Proposal for the Distribution of 2024 Employee Compensation and Director Remuneration. 	Unanimously approved by all attending committee members.	Submitted to the board of directors and unanimously approved by all attending directors.
The 8th Meeting of the 3rd Term 2025/05/06	The Company's 2024 remuneration for directors and employee remuneration for executives.	Unanimously approved by all attending committee members.	Submitted to the board of directors and unanimously approved by all attending directors.
The 1st Meeting of the 4th Term 2025/08/05	Proposal for the Election of the Convener of the Company's Fourth Remuneration Committee.	All attending members agreed that Lai, Hsin-Chung would serve as the convener and the chairperson of the meeting.	Not applicable.

(V) Information on the Operation of the Sustainable Development Committee:

1. Information of Sustainable Development Committee Members

Title	Name	Sustainability Knowledge and Expertise
Independent Director	Lai, Hsin-Chung	Practicing CPA, Shou Hsien CPA Firm; Possessed professional competences in ESG assessment and accounting control.
Independent Director	Li, Yung-Ting	Practicing CPA, Peichen CPA Firm; Possessed professional competences in ESG assessment and accounting control.
Independent Director	Wang, Chou-Chen	Dean of the College of Intelligent Technology, I-Shou University; Possess professional capabilities in ESG rating, smart technology, and energy management.
President	Hsieh, Shu-min	General Manager of Gseven Co., Ltd.; Possess professional competencies such as corporate governance, industry knowledge, and an international market perspective.

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 four members.
- (2) The current committee members' term of office: July 9, 2025 to June 18, 2028. The Sustainable Development Committee held 3 meetings (A) in 2025. 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)	Lai, Hsin-Chung	3	0	100%	2025/07/09 Appointment by the Board of Directors (Reappointment).

Title	Name	Number of Actual Attendance (B)	Number of Attendance by Proxy	Ratio of Actual Attendance (%) (B/A)	Note
Independent Director	Li, Yung-Ting	2	0	100%	2025/07/09 Appointment by the Board of Directors.
Independent Director	Wang, Chou-Chen	2	0	100%	2025/07/09 Appointment by the Board of Directors.
President	Hsieh, Shu-min	2	0	100%	2025/07/09 Appointment by the Board of Directors.
Independent Director	Chao, Chang-Ju	1	0	100%	2025/06/19 Stepped down upon comprehensive re-election.
Independent Director	Chen, Ya-Chuan	1	0	100%	2025/06/19 Stepped down upon comprehensive re-election.

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 3 rd Meeting of the 1 st Term 2025/05/06	1. Proposal for the Establishment of the Company's Sustainability Task Force. 2. Engagement of Greenhouse Gas Inventory Consulting and Verification Service Providers.	Unanimously approved by all attending committee members.	Report to the Board of Directors.
The 1 st meeting of the 2 nd term 2025/08/05	1. Proposal for the election of the convener of the Company's second Sustainable Development Committee. 2. Proposal for the adoption of the Company's 2024 Sustainability Report.	1. All attending members agreed to appoint Committee Member Lai, Hsin-Chung to serve as the convener and chairperson of the meeting. 2. Unanimously approved by all attending committee members.	1. Not applicable. 2. Submitted to the board of directors and unanimously approved by all attending directors.
The 2 nd meeting of the 2 nd term 2025/11/03	1. Communication with Stakeholders of the Company for 2025. 2. The Company's 2025 Risk Management Status.	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	
1. 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?	✓		<p>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.</p> <p>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.</p> <p>For the information on the composition, responsibilities, and operation of the Sustainable Development Committee, please refer to page 39–40 of this annual report.</p>	No difference.
2. 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?	✓		<p>The Company regularly evaluates potential risk changes in its operations based on industry characteristics and adjusts response strategies when appropriate.</p> <p>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.</p> <p>2. Social: 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 Labor Conventions. We place high importance</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	
			<p>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. Environmental: The Company conducts supplier evaluations when transacting with environmentally conscious suppliers and is committed to selling eco-friendly and energy-efficient products.</p>
<p>3. Environmental Issues</p> <p>(1) Has the Company established an appropriate environmental management system based on its industry characteristics?</p> <p>(2) Is the Company committed to improving energy efficiency and using renewable materials with low environmental impact?</p> <p>(3) Has the Company evaluated potential risks and opportunities of climate change on current and future business operations, and implemented related countermeasures?</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<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.</p> <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.</p> <p>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.</p>	<p>No difference.</p> <p>No difference.</p> <p>No difference.</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																									
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and established policies for 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 emissions for the most recent two years: The greenhouse gas inventory boundaries for 2024 – 2025 are the parent company of Gseven on a parent-only basis.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1 (tCO2e)</th> <th>Scope 2 (tCO2e)</th> <th>Emission Intensity (tCO2e / NT\$ million revenue)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>88.52</td> <td>252.74</td> <td>0.07</td> </tr> <tr> <td>2025</td> <td>115.10</td> <td>1,458.88</td> <td>0.31</td> </tr> </tbody> </table> <p>Note 1: Electricity consumption for refrigerants, septic tanks, and department store counters has not yet been calculated for 2024.</p> <p>Note 2: The greenhouse gas inventory uses Gseven (parent-only) as the boundary; therefore, the emission intensity is calculated based on the revenue of Gseven (parent-only).</p> <p>The Company operates in the retail channel industry with no production processes that generate emissions. The main energy consumption comes from purchased electricity for air conditioning and lighting systems in headquarters and operational locations. 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.</p> <p>2. Water resources statistics for the most recent two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water Consumption (cubic meters)</th> <th>Number of employees</th> <th>Intensity (Water consumption / Number of employees)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>1,743</td> <td>402 persons</td> <td>4.34</td> </tr> <tr> <td>2025</td> <td>1,989</td> <td>435 persons</td> <td>4.57</td> </tr> </tbody> </table> <p>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>	Year	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Emission Intensity (tCO2e / NT\$ million revenue)	2024	88.52	252.74	0.07	2025	115.10	1,458.88	0.31	Year	Water Consumption (cubic meters)	Number of employees	Intensity (Water consumption / Number of employees)	2024	1,743	402 persons	4.34	2025	1,989	435 persons	4.57	No difference.
Year	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Emission Intensity (tCO2e / NT\$ million revenue)																									
2024	88.52	252.74	0.07																									
2025	115.10	1,458.88	0.31																									
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2025	1,989	435 persons	4.57																									

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>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. In terms of daily operational management, the Company actively advocates for green behavior and encourages employees to bring their own reusable utensils and cups to reduce the use of single-use items and enhance the environmental awareness of colleagues. Furthermore, waste sorting and recycling bins have been installed in office areas on all floors of the head office, covering categories such as paper, plastic, and metal. This ensures proper sorting and recycling of waste, effectively increasing the resource reuse rate and reducing the volume of waste disposal, thereby implementing resource circulation management at the daily operational level.</p>	
<p>4. Social Issues</p> <p>(1) 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 "Universal Declaration of Human Rights," the "UN Global Compact," and the "International Labor Conventions," and prohibits any acts that infringe upon or violate human rights.</p> <p>In accordance with the aforementioned human rights conventions, the Company has established regulations such as the "Measures for Prevention, Complaint, and Punishment of Sexual Harassment" and the "Measures for Prevention, Complaint, and Punishment of Unlawful Infringement in the Performance of Duties." These relevant management measures apply to all executives, employees, and affiliates. Furthermore, the "Sustainability Committee" has established a cross-departmental sustainability task force to systematically and effectively promote human rights management. Implementation</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	
			<p>guidelines are as follows:</p> <ol style="list-style-type: none"> 1. Diversity, Inclusion and Equal Opportunity: Diversity, Inclusion, and Equal Opportunity 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. 2. No Forced Labor: 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 management regulations and regularly reviews and monitors employee attendance. 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. 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. 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

Items to be promoted	Status of implementation		Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
(2) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflect operating performance or results in employee remuneration?	✓		<p>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.</p> <p>In accordance with the Company's Articles of Incorporation, if the Company has a profit for the year, it shall allocate no less than 5% as employee remuneration, of which no less than 30% shall be allocated as remuneration distributed to non-managerial employees, so as to balance the profit-sharing mechanism for all employees and the care for non-managerial employees. The amount of employee remuneration to be appropriated is based on the Company's annual operating performance and profitability results, and shall be distributed upon resolution by the Board of Directors; the allocation thereof comprehensively considers factors such as individual employee performance, job contribution, and departmental performance to ensure a reasonable link between remuneration and the Company's operating performance. Through the employee compensation system, the Company enables employees to share in the results of the Company's operations, strengthening employee participation and loyalty toward the Company's long-term development, and achieving the effect of motivating the improvement of overall performance.</p> <p>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,</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	
(3) Does the Company provide employees with a safe and healthy work environment and conduct regular safety and health education for employees?	✓		<p>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 85–89 of this annual report.</p> <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 2025, the Company did not experience any fire disasters, nor did any major occupational disasters occur. To continuously improve and promote a culture of occupational safety, the Company will review improvement measures and strengthen education and training. With disaster prevention and mitigation as the core philosophy, the Company conducts relevant safety protection drills on a semi-annual basis.</p>	No difference.
(4) Does the Company establish effective career development training programs for employees?	✓		<p>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.</p>	No difference.
(5) Regarding issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, does the company comply with	✓		<p>The Company requires all purchased goods to comply with relevant laws, regulations, and international standards. Furthermore, the Company has established a standardized marketing review process to ensure that all marketing copy, advertising materials, and promotional activities align with the corporate brand image and regulatory</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>relevant regulations and international standards, and has it established relevant policies and complaint procedures to protect consumer or customer rights?</p> <p>(6) 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?</p>	✓		<p>requirements, thereby avoiding misinformation, exaggerated publicity, or infringement. There were no incidents of non-compliance with marketing and communication regulations in 2025.</p> <p>In response to consumer complaints, the Company has established a consumer complaint and feedback mechanism. Consumers may submit relevant complaints or service requests via the customer service hotline (0800). Upon receiving and recording a customer complaint, the business unit and customer service unit shall, in accordance with the “Customer Complaint Handling Procedures” and the “Management Measures for Counter/Store Customer Complaint Compensation and Customer Service Complaint Reserves,” confirm the issue and apologize to the customer. Subsequently, an internal investigation shall be initiated, and the content of the complaint shall be forwarded to the relevant units for processing. Information regarding the complainant shall be kept confidential and restricted to the knowledge of the personnel handling the matter. Based on the investigation results, feasible solutions shall be communicated to the customer and executed immediately upon confirmation by both parties, with continuous tracking of customer satisfaction. Upon the closure of a case, relevant records shall be compiled to serve as a basis for review and improvement, and shall be incorporated into the publicity materials for regular monthly education and training.</p> <p>The Company conducts assessment procedures for all new suppliers and cooperates with suppliers that emphasize compliance with regulations related to environmental protection, occupational health and safety, or labor human rights. In the future, depending on operational and practical needs, consideration will be given to including clauses in contracts with suppliers that allow for the termination or rescission of the contract at any time if the supplier violates corporate social responsibility policies or has a significant impact on the environment and society.</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	
5. 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's Sustainability Report is prepared in accordance with the latest version of the GRI Standards (GRI Standards 2021) issued by the Global Sustainability Standards Board (GSSB) and the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies" of the Taipei Exchange, and with reference to the "Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)." The aforementioned report has not obtained assurance or verification opinions from third-party verification units.	No difference.
6. 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: The Company's Sustainable Development Best-Practice Principles were approved and established by the Board of Directors on June 3, 2015, and were subsequently amended by the Board of Directors on May 6, 2019, May 4, 2020, January 27, 2022, March 13, 2023, and November 3, 2025. The Company periodically reviews the implementation status in accordance with the Code and makes improvements accordingly; to date, there have been no deviations in implementation.				
7. Other important information that helps to understand the implementation of sustainable development: (1) The Company has established service outlets throughout Taiwan. To promote community development and enhance community identity, the measures adopted are as follows: A. The Company allocates 2% of the previous year's net income after tax for donations. B. In 2025, in response to the Mataian Creek barrier lake overflow in Hualien, a donation of NT\$500,000 was made to the Hualien County Major Disaster Relief Fund for disaster relief purposes. C. In 2025, more than 200 home appliance items were donated to support several important social organizations, including: Syin-Lu Social Welfare Foundation, Eden Social Welfare Foundation, Children Are Us Foundation, Kaohsiung Down Syndrome Huansi Association, Kaohsiung Palette Association, Boyo Social Welfare Foundation, Taiwan Heart Animal Assistance Association, Siaogang Volunteer Fire Squad of the Kaohsiung City Volunteer Fire Corps, and Kaohsiung Port City Friends of Police Association. D. Sponsorship of academic research at I-Shou University in the form of academic feedback funds, with a donation amount of NT\$60,000 in 2025. E. In recent years, the Company has made regular donations to the Lingya Office of the Kaohsiung City Harbor Police Friends Association; the donation amount for 2025 is NT\$50,000. F. For the opening of the Tainan Shinkong Mitsukoshi Xiaobei Store in 2025, Taiwanese pop music singer and producer Pinkcube served as the store manager for a day, performing an improvised composition and song. At the end of the year, the creative talent Ayanokoji appeared at the A13 counter and used new audio products to perform on-site, improvising the most festive Christmas songs using the sound effects of home appliances in the store, sowing the seeds of music appreciation for community building.				

(2) The implementation of the Company’s human rights due diligence is as follows:

- A. Target Audience: All employees of Gseven Group.
- B. Process: Identify significant human rights impacts → Adopt risk mitigation and remedial measures → Track implementation status and effectiveness → Information disclosure.
- C. Human Rights Issues and Risk Mitigation Measures:

Issue	Risk Mitigation or Remedial Measures
Health and Safety	<ol style="list-style-type: none"> 1. On-site care and appointment-based consultations provided by contracted occupational medicine physicians. 2. Conducting employee health examinations. 3. Implementation of occupational injury prevention education and training for administrative staff in 2025. 4. Education and training on safe handling risks and prevention are proposed to be conducted in 2026.
Salary	The Company reviews relevant laws and regulations annually to conduct salary adjustments, ensuring that employee compensation remains competitive.
Working hours	Working hours early warning mechanism, where the system automatically controls and restricts overtime for colleagues.
Employee Grievance	<ol style="list-style-type: none"> 1. To provide employees with a dignified and equal work environment free from discrimination and harassment, the Company has established and implemented relevant operational specifications such as the “Sexual Harassment Prevention Measures, Complaint and Disciplinary Regulations” and “Prevention, Complaint and Disciplinary Regulations for Illegal Infringement of Duties,” and periodically reviews and revises such operational specifications. 2. The Company’s website has set up a sexual harassment complaint form and a dedicated hotline for sexual harassment complaints, posted sexual harassment prevention promotional stickers, and conducts annual online sexual harassment prevention training courses. 3. The Company has established comprehensive grievance mechanisms and channels for employees to report illegal acts and human rights violations.

(VII) Climate-related Implementation Status:

1. Describe the board of directors’ and management’s supervision and governance of climate-related risks and opportunities:

The Board of Directors is the highest governance unit for climate and sustainability-related issues. Under its jurisdiction, a functional committee, the “Sustainability Development Committee,” has been established, which is responsible for the supervision and management of climate and sustainability-related issues, and periodically (at least once a year) reports material information related to sustainable development to the Board of Directors. To promote sustainable development needs, a cross-departmental sustainable development task force has been formed, with the Chief Sustainability Officer coordinating and advancing cooperation among cross-functional teams. And shall periodically report the implementation results to the Sustainable Development Committee and the Board of Directors.

The Company’s Chief Sustainability Officer reported the status of greenhouse gas inventories to the Sustainability Development Committee and the Board of Directors on May 6, 2025, August 5, 2025, and November 3, 2025.

2. Describe how the identified climate risks and opportunities impact the company’s business, strategy, and finances (short term, medium term, long term):

The Company considers the types of climate risks and opportunities recommended by the TCFD and, based on business characteristics and relevance, periodically prioritizes issues with medium to high risk/opportunity levels. A total of four risk issues and three opportunity issues have been identified. The risk issues include extreme temperature changes, flooding, reputational risk, and insurance abandonment triggered by climate change; the opportunity issues include low-carbon product and service opportunities, financial institution incentives—sustainable financial products, and the adoption of more efficient transportation methods.

Risk Categories and Opportunities	Financial Impact -/+	Response Strategies
<p>【Physical Risks】 Extreme Temperature Changes</p>	<p>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.</p>	<ul style="list-style-type: none"> ● Negotiating with original manufacturers for subsidies. ● Coordinating inventory allocation with distributors.
<p>【Physical Risks】 Flooding</p>	<p>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.</p>	<ul style="list-style-type: none"> ● Insurance risk transfer mechanisms. ● Inventory management.

Risk Categories and Opportunities	Financial Impact +/-	Response Strategies
【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.
【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.
【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.	<ul style="list-style-type: none"> ● Acquisition of sustainable financial products.

3. Description of financial impacts from extreme climate events and transition actions:

Financial impacts of extreme climate events:

- 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.

Financial Impact of Transformation Initiatives:

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 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. To address the diverse challenges brought by climate change, the Company has collected global climate change trends, domestic and international regulations, and industry-related trends. This identification process compiled a list of issues comprising 7 transition risks, 6 physical risks, and 8 opportunities, which serve as the basis for assessing climate impacts. 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 internal carbon pricing is used as a planning tool, the basis for price determination shall be explained: As of the publication date of the annual report, the Company has not yet adopted internal carbon pricing as a planning tool.
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 and assurance status, and reduction targets, strategies, and specific action plans:

(1) Greenhouse gas inventory and assurance status for the past two years:

- Basic information of the Company: A company with paid-in capital of less than NT\$5 billion.
- In accordance with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, the following shall be disclosed at a minimum: The Company conducts systematic greenhouse gas emission inventories and inventory development in accordance with the Greenhouse Gas Protocol (GHG Protocol). Starting from 2025, the Company will conduct annual periodic greenhouse gas emissions inventories for the parent company; subsidiaries included in the consolidated financial statements are expected to initiate inventories in 2026.
- Greenhouse gas inventory information:

Items		2024		2025	
		Total emissions (Metric tons CO ₂ e)	Emission intensity (Metric tons CO ₂ e / Revenue in NT\$ millions)	Total emissions (Metric tons CO ₂ e)	Emission intensity (Metric tons CO ₂ e / Revenue in NT\$ millions)
Parent Company	Scope 1 Direct greenhouse gas emissions	88.52	0.02	115.10	0.02
	Scope 2 Indirect greenhouse gas emissions	252.74	0.05	1,458.88	0.29

Note 1: Electricity consumption for refrigerants, septic tanks, and department store counters has not yet been calculated for 2024.

Note 2: The 2025 greenhouse gas emission intensity of the parent company is calculated based on Gseven's parent-only net revenue of NT\$5,032 million.

- Greenhouse gas assurance information: As of the publication date of the annual report, the Company has not yet obtained an assurance or guarantee opinion from a third-party verification body.
- (2) Greenhouse gas reduction targets, strategies, and specific action plans: As of the date of publication of the annual report, the Company has not yet established greenhouse gas reduction targets and strategies.

(VIII) Implementation of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor:

Evaluation Items	Operation Status		Summary Description	Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No		
<p>1. Formulation of Integrity Management Policies and Programs</p> <p>(1) 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?</p> <p>(2) 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”?</p>	<p>✓</p> <p>✓</p>		<p>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 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.</p> <p>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 the following behaviors:</p> <ol style="list-style-type: none"> 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. 	<p>No difference.</p> <p>No difference.</p>

Evaluation Items	Operation Status			Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No	Summary Description	
(3) 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?	✓		To prevent unethical conduct, the Company has established and implemented relevant operational regulations, including the “Ethical Corporate Management Best Practice Principles,” “Code of Ethical Conduct,” “Procedures for Ethical Management and Guidelines for Conduct,” “Whistleblowing Policy for Illegal, Immoral, or Unethical Conduct,” and “Procedures for the Prevention of Insider Trading.” Furthermore, the Company periodically reviews and revises these operational regulations, which are submitted to the Board of Directors for discussion and amendment.	No difference.
2. Implementation of Ethical Corporate Management				
(1) 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.
(2) 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.
(3) 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.

Evaluation Items	Operation Status			Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No	Summary Description	
(4) 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.
(5) Does the Company regularly conduct internal and external education and training on ethical corporate management?	✓		In 2025, the Company conducted internal and external training sessions related to ethical management topics (including courses on trade secrets, information security management, personal data protection, the Money Laundering Control Act, and insider equity advocacy), totaling 185 person-times and 87.5 person-hours.	No difference.
3. Implementation of the Company’s Whistleblowing System	✓		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.
(1) Has the Company established specific whistleblowing and reward systems, convenient whistleblowing channels, and assigned appropriate personnel to handle reported cases?	✓		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.
(2) 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?	✓			No difference.

Evaluation Items	Operation Status		Summary Description	Differences from the Integrity Management Principles for TWSE/TPEX Listed Companies and Reason.
	Yes	No		
(3) 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.
4. 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 an “Investor Relations > Sustainability > Ethical Management” section on its official website to disclose the specific measures and implementation results of the Company’s ethical management.	No difference.
5. 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: The Company’s Board of Directors approved the adoption of the Ethical Corporate Management Best Practice Principles on June 3, 2015, and subsequently approved amendments to said Principles on May 6, 2019. The Company periodically reviews the implementation status in accordance with the Code and makes improvements accordingly; to date, there have been no deviations in implementation.				
6. 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): The Company’s official website has disclosed its ethical corporate management policy, providing detailed explanations of specific practices, programs to prevent unethical conduct, and the status of implementation.				

(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. Continuing education of the Company's directors in 2025:

Title/ Name	Date of Education	Organizing Institution	Course Name	Hours of Education	Total Hours of Education for the Year
Chairman Lu, Chien-San	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	6H
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
Director Yu, Kun-Hsi	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	6H
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
Director Su, Tsai-Chi	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	6H
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
Representative of Institutional Director Hsu, Liang-Chung	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	6H
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
Independent Director Lai, Hsin-Chung	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	6H
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
Independent Director Li, Yung-Ting	2025/04/01	National Federation of Certified Public Accountants Associations of the Republic of China	Anti-Money Laundering: Emerging Financial Crime Trends, Case Studies, and Preventive Measures.	3H	12H
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
	2025/06/20	National Federation of Certified Public Accountants Associations of the Republic of China	Anti-Money Laundering Act from the Perspective of Judicial Practice.	3H	
	2025/08/07	Taipei Exchange	2025 Insider Equity Briefing Session for Emerging Stock Companies.	3H	

Title/Name	Date of Education	Organizing Institution	Course Name	Hours of Education	Total Hours of Education for the Year
Independent Director Wang, Chou-Chen	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	6H
	2025/08/07	Taipei Exchange	2025 Insider Equity Briefing Session for Emerging Stock Companies.	3H	
Independent Director Chao, Chang-Ju (Note)	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	3H
Independent Director Chen, Ya-Chuan (Note)	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	3H

Note: Stepped down upon the full re-election of directors on June 19, 2025.

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. Assist in the procedural and resolution compliance matters of board 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) Continuing education of the Corporate Governance Officer in 2025:

Title/Name	Date of Education	Organizing Institution	Course Name	Hours of Education	Total Hours of Education for the Year
Vice President Ho, Cheng-Feng	2025/03/28	Securities and Futures Institute	Sustainability Disclosure Seminar for Listed and OTC Companies.	3H	12H
	2025/05/06	Taiwan Corporate Governance Association	M&A Strategy and Planning.	3H	
	2025/06/19	Securities and Futures Institute	Compliance with the Cyber Security Management Act under Ransomware Threats.	3H	
	2025/10/17	Taiwan Corporate Governance Association	Corporate Governance Officer and Sustainability Governance.	3H	

(X) Implementation Status of Internal Control System:

1. Declaration of Internal Control:

Please refer to the Market Observation Post System

(<https://mops.twse.com.tw/mops/#/web/t06sg20>).

Path for reference: Market Observation Post System > Single Company > Corporate Governance > Corporate Regulations/Internal Control > Internal Control Statement Announcement.

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 Shareholders' Meeting in 2025 and up to the printing date of the annual report:

Date of Shareholders' Meeting	Contents of Important Resolutions
2025/06/19	<ol style="list-style-type: none"> 1. To approve the 2024 final accounts. Status of implementation: Resolved and approved; announcement has been made on the Market Observation Post System in accordance with regulations. 2. To approve the 2024 earnings distribution proposal. Implementation status: The resolution was approved. The Company distributed cash dividends of NTD 79,167,228, allocated according to the shareholding ratio recorded in the shareholder register on the ex-dividend date, with NTD 2.0 distributed per share. 3. Amendments to the "Articles of Incorporation." Implementation status: The resolution was approved, announced on the Market Observation Post System in accordance with regulations, and submitted to the Ministry of Economic Affairs for amendment, with the registration completed on June 24, 2025. 4. Amendments to the "Procedures for the Acquisition or Disposal of Assets." Status of implementation: Approved by resolution, and the Company's official website has been updated accordingly. 5. Amendments to the "Directors' Remuneration Payment Guidelines." Status of implementation: Approved by resolution, and the Company's official website has been updated simultaneously. 6. Proposal for the issuance of new shares through the capitalization of earnings. Implementation status: Resolved and approved to issue 3,958,361 new shares through capitalization of earnings, with 100 shares distributed for every 1,000 shares held based on the shareholders' register as of the record date for stock dividend distribution. 7. Election of the 12th term of Directors. Implementation status: The resolution was approved, announced on the Market Observation Post System in accordance with regulations, and submitted to the Ministry of Economic Affairs for amendment, with the registration completed on June 24, 2025. 8. 16. Release of non-competition restrictions for the 12th Board of Directors and their representatives. Status of implementation: Resolved and approved; announcement has been made on the Market Observation Post System in accordance with regulations.

2. Major Resolutions of the Board of Directors in 2025 and up to the printing date of the annual report:

Date of Board Meeting	Contents of Important Resolutions
2025/01/21	<ol style="list-style-type: none"> 1. The Company’s year-end bonus distribution to company executives 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.”
2025/03/11	<ol style="list-style-type: none"> 1. The Company’s 2025 salary adjustment proposal for executives. 2. Amendment of the Company’s “Directors’ Remuneration Payment Method.” 3. The Company’s 2024 distribution of employee remuneration and director remuneration. 4. The Company’s 2024 Business Report and Financial Statements. 5. The Company’s 2024 earnings distribution proposal. 6. Proposal for the issuance of new shares through the capitalization of earnings. 7. Evaluation of the independence and suitability of the Company’s certifying CPAs. 8. Engagement of Certified Public Accountants 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 2024 Internal Control Self-Assessment “Internal Control System Statement”. 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 relating to the acceptance of shareholder proposals for the Company’s 2025 Annual General Meeting of Shareholders. 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.
2025/05/06	<ol style="list-style-type: none"> 1. The Company’s financial statements for Q1 2025. 2. Proposal for the Company’s fund lending to subsidiaries. 3. The Company’s provision of endorsements/guarantees for subsidiaries. 4. Application for renewal of the Company’s banking relationships and increase of credit limits. 5. The Company’s 2024 remuneration for directors and employee remuneration for executives. 6. Proposal for the nomination of candidates for the 12th term of Directors (including Independent Directors) by the Board of Directors. 7. Release of non-competition restrictions for the 12th Board of Directors and their representatives.
2025/06/19	Election of the Chairman.
2025/07/09	<ol style="list-style-type: none"> 1. Proposal to set the record date and related matters for the issuance of new shares through the capitalization of earnings for the year 2025. 2. Proposal for the definition of the scope of non-managerial employees of the Company. 3. Change of the Company’s seal custodian. 4. Appointment of members of the Remuneration Committee of the Company. 5. Appointment of the Company’s Sustainable Development Committee.

Date of Board Meeting	Contents of Important Resolutions
2025/08/05	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company’s financial statements for Q2 2025. 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. The Company’s proposal to amend the “Procedures for Reporting Material Unexpected Incidents.” 5. Proposal for the adoption of the Company’s 2024 Sustainability Report.
2025/11/03	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company’s financial statements for Q3 2025. 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. The Company and its subsidiaries’ “2026 Annual Audit Plan.” 5. The Company’s 2026 annual budget. 6. Proposal for the amendment to the Company’s “Procedures for Acquisition or Disposal of Assets”. 7. Proposal for the amendment to the Company’s “Internal Control System” and “Internal Audit System”. 8. The proposal for the amendment to the Company’s “Sustainable Development Best-Practice Principles.”
2026/02/10	<ol style="list-style-type: none"> 1. The Company’s year-end bonus distribution to company executives for 2025. 2. Amendment of the Company’s “Directors’ Remuneration Payment Method.” 3. Proposal for the amendment of the Company’s “Internal Control System.” 4. Proposal for the salary level adjustment of the Company’s non-managerial employees. 5. Proposal for the renewal of the Company’s banking facilities. 6. The Company’s provision of endorsements/guarantees for subsidiaries.
2026/03/12	<ol style="list-style-type: none"> 1. Proposal for the approval of the Company’s 2025 Business Report and Financial Statements 2. The Company’s 2026 salary adjustment proposal for executives. 3. The Company’s 2025 distribution of employee remuneration and director remuneration. 4. The Company’s 2025 earnings distribution proposal. 5. Proposal for the issuance of new shares through the capitalization of earnings. 6. Change of the Company’s certifying CPAs due to internal rotation within the accounting firm. 7. Evaluation of the independence and suitability of the Company’s certifying CPAs. 8. Appointment of Certified Public Accountants for 2026. 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 2025 Internal Control Self-Assessment “Internal Control System Statement”. 11. Renewal of the Company’s bank transactions and application for new credit lines. 12. Proposal for the Company’s fund lending to subsidiaries. 13. Determination of the date, location, method, and related matters for the Company’s 2026 Regular Shareholders’ Meeting. 14. Matters relating to the acceptance of shareholder proposals for the Company’s 2026 Annual General Meeting of Shareholders.

(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: None.

IV. Information on Certified Public Accountant Fees

Units: NT\$1,000

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	2025/01/01	1,950	-	135	40	680	855	Other matters: Transfer pricing amount: NTD 200 thousand; tax certification amount: NTD 210 thousand; greenhouse gas inventory: NTD 270 thousand.
	Wang, Chun-Kai	2025/12/31							

(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 Changes of Accountants in the Most Recent Two Fiscal Years and Subsequent Periods

(I) Regarding the predecessor CPA:

Date of Change	March 12, 2026		
Reason for and explanation of the change	Effective from Q1 2026, in coordination with the internal organizational and personnel adjustments of PwC Taiwan, the certifying CPAs will be changed from Liao, A-Shen and Wang, Chun-Kai to Wu, Chien-Chih and Liao, A-Shen.		
State whether the client or the CPA terminated or did not accept the engagement	Parties involved		
	Situation	Accountant	Client
	Active termination of engagement	Not applicable	
Non-acceptance of (continuing) engagement			
Audit reports with opinions other than unqualified issued within the most recent two years and reasons	None		
Whether there are disagreements with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Other matters
	None	✓	
	Explanation: None		
Other disclosure matters (Items that should be disclosed according to Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of these Regulations)	None		

(II) Regarding the successor CPA:

Name of CPA firm	PwC Taiwan
Name of CPA	Wu, Chien-Chih 、 Liao, A-Shen
Date of appointment	March 12, 2026
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 shareholders with a shareholding ratio exceeding 10% 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	2025		Year-to-date Until April 25, 2026		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	62,000	—	—	—	—
Director	Yu Kun-Yang	(61,291)	—	(48,000)	—	—
Director	Su, Tsai-Chi	35,439	—	—	—	—
Institutional Director and 10% major shareholder	Representative Hsu Liang-Chung, Ji Li Investment Co., Ltd.	696,094	—	—	—	—
		10,049	—	—	—	—
Independent Director	Lai, Hsin-Chung	—	—	—	—	—
Independent Director	Li, Yung-Ting	—	—	—	—	—

Title	Name	2025		Year-to-date Until April 25, 2026		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	
Independent Director	Wang, Chou-Chen	—	—	—	—	—
Independent Director	Chen, Ya-Chuan	—	—	—	—	2025/06/19 Stepped down upon comprehensive re- election.
Independent Director	Chao, Chang-Ju	—	—	—	—	2025/06/19 Stepped down upon comprehensive re- election.
President	Hsieh, Shu-min	31,000	—	—	—	—
Vice President	Ho, Cheng-Feng	1,089	—	—	—	—
Chief Financial Officer						
Assistant Vice President	Shen, Chih-Kai	2,215	—	—	—	—
10% major shareholder	Ji Sheng Shi Co., Ltd.	850,402	—	92,000	—	2025/01/22 Holding 10% or more of the shares.

(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 25, 2026 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)	Relationship	
Ji Li Investment Co., Ltd.	7,657	17.59%	—	0%	—	0%	Li Li-Nien	Chairman	None
Responsible person: Li, Li-Nien	—	0%	682	1.57%	—	0%	Ji Sheng Shi Co., Ltd. Chien Wen Co., Ltd. Li Sheng Co., Ltd. Chien Chun Co., Ltd.	Chairman Chairman Chairman Chairman	None
Ji Sheng Shi Co., Ltd.	4,540	10.43%	—	0%	—	0%	Li Li-Nien	Chairman	None
Responsible person: Li, Li-Nien	—	0%	682	1.57%	—	0%	Ji Li Investment Co., Ltd. Chien Wen Co., Ltd. Li Sheng Co., Ltd. Chien Chun Co., Ltd.	Chairman Chairman Chairman Chairman	None

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)	Relationship	
Chien Wen Co., Ltd.	4,308	9.89%	—	0%	—	0%	Li Li-Nien	Chairman	None
Responsible person: Li, Li-Nien	—	0%	682	1.57%	—	0%	Ji Li Investment Co., Ltd. Ji Sheng Shi Co., Ltd. Li Sheng Co., Ltd. Chien Chun Co., Ltd.	Chairman Chairman Chairman Chairman	None
Li Sheng Co., Ltd.	4,307	9.89%	—	0%	—	0%	Li Li-Nien	Chairman	None
Responsible person: Li, Li-Nien	—	0%	682	1.57%	—	0%	Ji Li Investment Co., Ltd. Ji Sheng Shi Co., Ltd. Chien Wen Co., Ltd. Chien Chun Co., Ltd.	Chairman Chairman Chairman Chairman	None
Chien Chun Co., Ltd.	4,147	9.53%	—	0%	—	0%	Li Li-Nien	Chairman	None
Responsible person: Li, Li-Nien	—	0%	682	1.57%	—	0%	Ji Li Investment Co., Ltd. Ji Sheng Shi Co., Ltd. Chien Wen Co., Ltd. Li Sheng Co., Ltd.	Chairman Chairman Chairman Chairman	None
Ji Yue Investment Co., Ltd.	3,238	7.44%	—	0%	—	0%	Yu, Kun-Hsi	Responsible person	None
Responsible person: Yu, Kun-Hsi	898	2.06%	—	0%	—	0%	Ji Yue Investment Co., Ltd.	Responsible person	None
Chang De Co., Ltd.	1,759	4.04%	—	0%	—	0%	Lin, Hsueh-Hsien	Responsible person	None
Responsible person: Lin, Hsueh-Hsien	—	0%	—	0%	—	0%	Chang De Co., Ltd.	Responsible person	None
Shih Yang Investment Co., Ltd.	1,669	3.83%	—	0%	—	0%	Lin, Shih-Ching	Responsible person	None
Responsible person: Lin, Shih-Ching	2	0.01%	111	0.25%	—	0%	Shih Yang Investment Co., Ltd.	Responsible person	None
Yu, Kun-Nan	979	2.25%	—	0%	—	0%	Yu, Kun-Hsi	Brothers	None
Yu, Kun-Hsi	898	2.06%	—	0%	—	0%	Ji Yue Investment Co., Ltd.	Responsible person	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 share capital:

1. History of capital formation:

April 25, 2026 Unit: Thousand shares; NT\$1,000

Year Month	Issuance Price	Authorized share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Where payment for shares is made in the form of property other than cash	Other matters
1994/10	10	500	5,000	500	5,000	Establishment in cash	None	Note 1
2002/07	10	3,000	30,000	3,000	30,000	Capital increase in cash	None	Note 2
2006/06	10	9,000	90,000	9,000	90,000	Capital increase in cash	None	Note 3
2006/10	10	17,000	170,000	17,000	170,000	Capital increase in cash	None	Note 4
2007/06	10	26,500	265,000	26,500	265,000	Capital increase in cash	None	Note 5
2008/06	10	29,000	290,000	29,000	290,000	Capital increase in cash	None	Note 6
2011/07	10	30,000	300,000	30,000	300,000	Capital increase in cash	None	Note 7
2017/06	10	60,000	600,000	32,860	328,600	Capital increase in cash	None	Note 8
2021/10	10	60,000	600,000	36,639	366,389	Capitalization of retained earnings	None	Note 9
2022/03	10	60,000	600,000	36,645	366,448	Corporate bonds converted to common shares	None	Note 10
2022/08	10	60,000	600,000	36,701	367,008	Corporate bonds converted to common shares	None	Note 11
2022/11	10	60,000	600,000	37,249	372,488	Corporate bonds converted to common shares	None	Note 12
2023/03	10	60,000	600,000	37,638	376,375	Corporate bonds converted to common shares	None	Note 13
2023/05	10	60,000	600,000	37,920	379,196	Corporate bonds converted to common shares	None	Note 14
2023/08	10	60,000	600,000	38,177	381,766	Corporate bonds converted to common shares	None	Note 15
2023/11	10	60,000	600,000	39,584	395,836	Corporate bonds converted to common shares	None	Note 16
2025/08	10	60,000	600,000	43,542	435,420	Capitalization of retained earnings	None	Note 17

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-Gong-Zi No. 9109018201.

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

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

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

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

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

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

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

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

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

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

Note 13: Registration Date: March 28, 2023; Document No. Gao-Shi-Fu-Jing-Shang-Gong-Zi No. 11251123800.

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

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

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

Note 17: Registration Date: August 8, 2025; Document No. Gao-Shi-Fu-Jing-Shang-Gong-Zi No. 11453064100.

2. Class of shares:

Class of shares	Authorized share capital			Note
	Outstanding shares	Unissued shares	Total	
Common shares	43,541,975 shares	16,458,025 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 25, 2026 Unit: Shares; %

Name of major shareholder	Shares	Number of shares held	Shareholding percentage
Ji Li Investment Co., Ltd.		7,657,039	17.59%
Ji Sheng Shi Co., Ltd.		4,540,425	10.43%
Chien Wen Co., Ltd.		4,308,298	9.89%
Li Sheng Co., Ltd.		4,307,226	9.89%
Chien Chun Co., Ltd.		4,147,452	9.53%
Ji Yue Investment Co., Ltd.		3,237,960	7.44%
Chang De Co., Ltd.		1,758,852	4.04%
Shih Yang Investment Co., Ltd.		1,668,700	3.83%
Yu, Kun-Nan		979,490	2.25%
Yu, Kun-Hsi		897,803	2.06%

(III) Dividend policy and implementation status:

1. 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 Board of Directors of the Company may, by a resolution adopted by a majority of the directors present at a meeting attended by two-thirds or more of the total number of directors, distribute the whole or a part of the dividends and bonuses, capital reserve, or legal reserve in the form of cash, and shall report such distribution to the shareholders' meeting; the provisions of the preceding paragraph requiring a resolution of the shareholders' meeting shall not apply. 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 unappropriated retained earnings at the beginning of 2025 were NTD 278,565,818. After adding a decrease of NTD 329,737 from other comprehensive income adjustments for 2025, the adjusted unappropriated retained earnings were NTD 278,236,081. After adding the net profit after tax for 2025 of NTD 176,794,848 and providing a legal reserve of NTD 17,646,511 in accordance with the law, the total earnings available for distribution were NTD 437,384,418. It is proposed that earnings of NTD 302,404,290 be retained and not distributed, and the remaining balance of NTD 134,980,128 be distributed as a cash dividend of NTD 2.1 and a stock dividend of NTD 1. Cash dividends and stock dividends shall be distributed down to the nearest NT dollar (amounts less than one NT dollar shall be rounded down), and the total amount of fractional shares/amounts shall be recognized as other income of the Company.
- (2) Approved by the Board of Directors on March 12, 2026, 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:

If the Company has profit for the year, it shall allocate no less than 5 percent as employee remuneration, and of which no less than 30 percent shall be allocated as remuneration distributed to non-managerial employees. If there is profit in the current year, an amount not higher than 1.5 percent shall be allocated as remuneration to directors. However, the Company shall first 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\$17,465 thousand and director remuneration of NT\$3,252 thousand for 2025. There is no difference between these amounts and the estimated figures in the 2025 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:

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.

(VI) Repurchase of the Company's Shares: No such situation.

II. Corporate Bonds

No such situation.

III. Status of Preferred Shares

No such situation.

IV. Status of Overseas Depositary Receipts

No such situation.

V. Status of Employee Stock Option Certificates

No such situation.

VI. Status of Issuance of 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 Overview

(I) Scope of Business:

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 Non-store Retail
- (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 Tallying and Packaging
- (52) G801010 Storage

2. Breakdown of Operating Revenue by Product for 2025:

- (1) Operating revenue from audio-visual home appliances accounted for 98.96%.
- (2) Operating revenue from non-audio/video household appliances accounted for 1.04%.

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 (mostly 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 include commercial displays, digital signage, and related cables and accessories.

(2) Service Dimension:

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 bidding projects of government agencies and corporate entities.

(6) Architecture of “Smart Home” projects.

(7) Planning for integrated applications between mobile phones, computers, and home appliances.

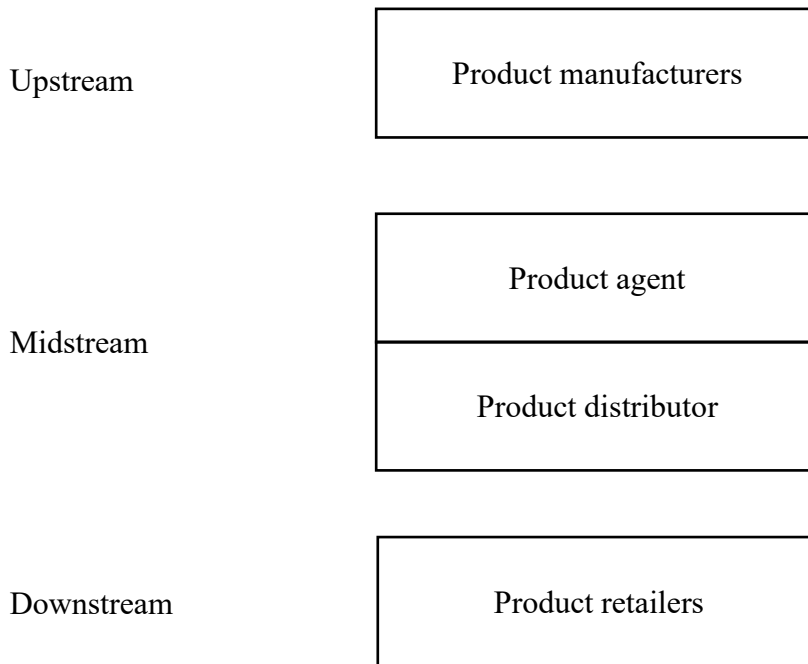
(II) Industry Overview:

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. The renowned figure in the audio industry, Mr. Chang Chi-kao (1926-1995), once said: "Audio is merely the means; music is the purpose!" 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.

Beyond traditional analog vinyl records (LP, Long Playing, 12 inches in diameter) and digital audio compact disks (CD, Compact Disk, 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. Furthermore, it is worth noting that consumers are increasingly emphasizing the esthetic design of home or portable audio systems. Consequently, "esthetic design" will serve as an effective indicator for audio brand owners competing to lead the market in the next wave. To this end, in addition to upholding professionalism in audio sales and vetting high-quality products for consumers, the Company also references market trends and interior design styles to select the optimal configurations from numerous audio product lines for its customers. This satisfies both auditory and visual enjoyment, striving to enhance word-of-mouth through post-sale satisfaction, thereby increasing the penetration rate of audio-visual home appliances among households in the Taiwan market.

(2) Video Products 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 enhanced image quality and increased screen sizes has made the visual revolution of "high resolution" and "large-scale sizing" unstoppable. 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.

According to research reports from authoritative market research institutions such as Display Search and GfK, the introduction of new products and factors such as large-sized panels will accelerate consumer replacement demand. Furthermore, as the broadcasting method of television programs in Taiwan has fully transitioned from traditional, much-criticized cable television systems to digital transmission, Full HD (Full High Definition) or even UHD (Ultra High Definition) television products will be able to further highlight

their functional features. 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! 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 products, which originally appeared to have simple functions and bulky designs, have also begun to become "smart." 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 method of remote control for home appliances in the current market is via smartphones. Consequently, systems such as smartphones and tablets that feature interfaces capable of installing applications can facilitate more convenient operations for customers. According to GFK data, the smartphone market holds a significant share. The Company has introduced service options for smartphones, tablets, and wearable mobile 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) Overview of Technology and R&D:

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 Development Plans:

1. Short-term plan:

- (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. Concurrently, for bulk purchases of goods, in addition to allocating products to major online platforms to secure prominent exposure, the Company also utilizes 24-hour consignment warehouses in shopping centers and home delivery logistics consignment shopping systems to provide rapid 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 primary products consist of the video category, audio category, and home appliance category, among others. Within the video category, the main products are high-end OLED TVs and Mini LED TVs. According to survey data from the market research firm GfK, the Company's market share has increased from approximately 5% in previous years to nearly 8% recently, demonstrating that the management strategy of maintaining a continuous focus on high-end products and customer segments is highly accurate. Regarding audio products, in combination with video products, the Company focuses particularly on the management and sales of soundbars, striving to provide customers with the best audio-visual sensations and experiences; consequently, the Company holds a market share of over 13% in soundbar sales, which constitutes a core operational strength of the Company; Furthermore, in the home appliance market, market share for products such as refrigerators, washing machines, clothes dryers, and air treatment products (air purifiers and dehumidifiers) has continued to increase in recent years. Compared to the overall market, these products have demonstrated operating results characterized by counter-trend growth and resilience against market declines; nevertheless, there remains significant room for growth compared to other industry peers.

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, research and development in the technology of household appliances has become more extensive. Major brands continue to focus on convenience and multi-functionality as their core themes, developing a variety of products such as wet-mop vacuum cleaners, AI bionic dynamic robotic vacuums, multi-functional steam convection microwave ovens, and air purifying dehumidifiers. The Company continues to seize the latest product sales opportunities and conducts experiential marketing through physical channels, achieving significant growth. From the launch of new products to their mass adoption stage, the Company satisfies consumer demand and expands its business scale.

Smartphones, tablets, and wearable mobile devices have become increasingly common equipment for consumers in the current market. In response to market demand, related products have been introduced, along with gaming monitors and related gaming peripherals, to satisfy the needs of a broader age demographic, provide comprehensive and diverse services, and create entirely new and different revenue sources.

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.

Response Strategy:

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.

Response Strategy:

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.

Response Strategy:

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) Important uses of main products:

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 general agents or direct distributors. Major suppliers are located worldwide, including well-known industry leaders from countries and regions such as Taiwan, Japan, Korea, Europe, and the United States. For homogeneous products, there are at least two suppliers available to provide alternatives. The brands held by the suppliers are all top-tier brands in the Taiwan market, possessing a fixed market scale and maintaining a stable supply of goods. 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: NTD ONE THOUSAND

Year	2024				2025				As of the end of Q1 2026			
Items	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of total net purchases as of the first quarter of the current year (%)	Relationship with the Issuer
1	Company A	1,500,863	35.36%	None	Company A	1,710,428	36.25%	None	Company A	558,471	43.93%	None
2	Company B	555,267	13.08%	None	Company B	616,251	13.06%	None	Company B	146,556	11.53%	None
3	Company D	515,249	12.14%	None	Company C	464,148	9.84%	None	Company C	106,072	8.34%	None
4	Company C	443,782	10.45%	None	Company D	555,012	11.76%	None	Company D	108,596	8.54%	None
	Others (Note)	1,229,968	28.97%	None	Others (Note)	1,373,111	29.09%	None	Others (Note)	351,611	27.66%	None
	Net purchase	4,245,129	100%		Net purchase	4,718,950	100%		Net purchase	1,271,306	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		2024	2025	For the year to date as of March 31, 2026
Number of employees	Managerial level and above	18	19	20
	Non-managerial indirect personnel	129	152	155
	Direct personnel	297	308	317
	Total	444	479	492
Average age		35.2	35.6	35.8
Average years of service		5.3	5.4	5.5
Education distribution ratio	Doctoral degree	0.0%	0.0%	0.0%
	Master's degree	6.1%	5.2%	5.5%
	Junior college	75.5%	76.5%	76.0%
	Senior High School	18.4%	18.3%	18.5%
	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 compensation and violations of environmental protection laws and 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 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 2025 senior executive training program includes courses on "High-Performance Teams and Plan Execution" and "Leading the Way." 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. 2025 Training Status Statistics Table

Training category	Total batches	Hours per session	Total number of participants	Total person-hours
Senior executive training	2	8	19	152
Store Manager Training	2	8	86	688
Product Training	37	2	618	1,236
New employee training – common	1	2	130	260
New employee training – operations	1	1.5	86	129
General training	10	2.5	300	750

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 Pension Supervisory 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) For 2025, employees under the new labor pension system accounted for 97.5%, and employees under the old labor pension system accounted for 2.5%, with full contributions made for both.
- (5) In 2025, 0 employees retired due to reaching retirement age, and 0 employees voluntarily retired, totaling 0 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's website has set up a sexual harassment complaint form and 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 2025 are as follows:

Survey type	Gallup Q12
Scope of Investigation	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	98.6%
Survey units	Human Resources Department
Survey distribution date	April 2025
Survey frequency	Once a year
Survey period	2024//1/1~2024/12/31
Overall Satisfaction	4.17 points (minimum 0 points, maximum 5 points)
Survey results	<ul style="list-style-type: none"> ● Overall, the proportion of items in Q12 that received a score of 4 or higher reached over 91.67% (83.34% in 2024). ● Based on the response ratio, the climate is categorized as high-performance, signifying that most colleagues possess a high sense of engagement, clear role positioning, mutually supportive peer relationships, and the momentum to continuously pursue excellence in their work. These results demonstrate that the team possesses a solid foundation of trust and a culture of collaboration, enabling it to exhibit stable and sustained performance within a volatile environment, and representing a key force with significant growth potential within the organization. ● Items for improvement with scores below 4 points: -> Recognition received: In the past seven days, I have received recognition for doing good work. ● The overall score for 2025 is higher than that of 2024 (▲) and lower than that of 2023 (▼). ● Analysis of administrative and sales staff: The average scores for administrative and sales personnel increased (▲) in 2024. ● 2025 Individual Average Score: <4 points - 45 Administrative staff (33.84%), 102 Sales staff (34.93%); <3 points - 1 Administrative staff (0.75%), 9 Sales staff (3.08%).
Improvement Plan	<ul style="list-style-type: none"> ● Continue to establish cross-departmental communication and leadership courses to enhance collaboration efficiency between different departments. ● Organize team-building activities to strengthen team cohesion and organizational sense of belonging. ● Establish regular career dialog and feedback mechanisms to guide supervisors in assisting employees with reviewing their growth history and developmental direction. ● Optimize the performance appraisal and results disclosure mechanisms to enhance transparency and fairness, ensuring that efforts and performance are promptly recognized and affirmed.

- (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) Bimonthly on-site care and appointment-based consultations by contracted occupational medicine physicians; the implementation status for 2025 is as follows:

Date	On-site service hours	Number of hours
2025/01/15	13:30~16:30	3
2025/03/06	13:30~16:30	3
2025/05/15	13:30~16:30	3
2025/07/16	13:30~16:30	3
2025/09/19	13:30~16:30	3
2025/11/20	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	A 2-month period from March to April 2025.
Number of people	63 employees of Gseven Group
Results	<ul style="list-style-type: none"> ● A total of 200.5 kilograms of body weight was lost. ● Daily reduction of approximately 6.7 kilograms of carbon dioxide emissions.

- (II) Losses due to labor disputes (including matters involving violations of the Labor Standards Act as identified in labor inspections) 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 2025 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 and Personal Data Protection Management Framework:

The Company established the “Information Security and Personal Data Protection Management Committee” in 2024, and has formulated operational specifications such as the “Information Security Maintenance Plan” and the “Personal Data Protection Management Measures,” 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 scope of application covers the Company, its subsidiaries, and employees and customers at all operating sites; the President serves as the supervisor and Chief Information Security Officer, and the heads of all units within the Company (including Sales, Finance, Accounting, Procurement, Logistics, Marketing, Customer Service, Legal, Human Resources, and Information Technology, etc.) are members of the Committee.

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. To this end, the Information Security Policy is hereby formulated for compliance by all colleagues.

(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) Established an “Information Security and Personal Data Protection Emergency Response Team” and joined TWCERT (Taiwan Computer Emergency Response Team/Coordination Center), and developed a network security incident response plan to

assess impact and loss according to incident severity levels and take 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:

The Company implemented and passed the ISO 27001 Information Security Management System certification and the ISO 27701 Privacy Information Management System verification in 2025. The current certificates are valid from April 15, 2025 to April 14, 2028.

4. Education and training:
- (1) All employees must receive at least 3 hours of general information security education annually.
 - (2) Information-related personnel shall each receive at least 3 hours of information security professional course training or information security functional training per year.
 - (3) Each dedicated information security staff member shall receive at least 12 hours of professional information security course training or information security functional training every year.
 - (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) Quantitative data and management indicators related to information security management and personal data protection for 2025:

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. Customer Satisfaction:

- (1) 0 material information security incidents.
- (2) 0 personal data complaint cases.
- (3) 0 complaints involving violations of customer data loss.
- (4) 0 incidents of violation of the Personal Data Protection Act.

3. Implementation status:

- (1) Appointed one dedicated information security officer and one dedicated information security staff member, and held four information security meetings throughout the year.
- (2) Information Security Education and Training:
 - A. New employee's complete information security education and training courses before their start date.
 - B. All employees have completed online information security education, training, and assessment.
 - C. In 2025, information security management (including personal data protection) education and training were held for a total of 30 person-times, amounting to 90 person-hours.
- (3) Conduct annual social engineering phishing email testing.
- (4) Throughout the year, in accordance with the Information Security Management System, website and server vulnerability scans were conducted periodically, and firewall and intrusion detection and prevention measures were implemented to effectively reduce information security risks.
- (5) Continuously monitor network and system security to prevent potential intrusions and abnormal behaviors in a timely manner, ensuring the security and robustness of information assets.

(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 2025 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	2024 (A)	2025 (B)	Difference (B-A)	
				Amount	%
Current assets		2,626,595	2,792,673	166,078	6.32
Property, plant and equipment		655,891	666,588	10,697	1.63
Other assets		115,545	190,518	74,973	64.89
Total assets		3,398,031	3,649,779	251,748	7.41
Current liabilities		2,327,668	2,491,304	163,636	7.03
Long-term liabilities		–	–	–	–
Other liabilities		43,114	33,927	(9,187)	(21.31)
Total liabilities		2,370,782	2,525,231	154,449	6.51
Share capital		395,836	435,420	39,584	10.00
Capital reserves		136,138	136,138	–	–
Statutory surplus reserves		82,335	97,959	15,624	18.98
Retained earnings		412,940	455,031	42,091	10.19
Total shareholders' equity		1,027,249	1,124,548	97,299	9.47
1. Analysis of the primary causes and impact of major changes in items (where changes between the current and prior periods reach 20% or more, and the change amount reaches NTD 10 million or more): Increase in other assets: Primarily due to the reclassification of property, plant and equipment to investment property.					
2. Future Response Plan: The above changes do not have significant adverse effects on the Company; therefore, no response plan is required.					

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	2024 (A)	2025 (B)	Difference (B-A)	
				Amount	%
Operating revenue		4,642,604	5,195,650	553,046	11.91
Operating cost		3,569,327	4,047,515	478,188	13.40
Operating gross profit		1,073,277	1,148,135	74,858	6.97
Operating expenses		876,790	922,313	45,523	5.19
Operating profit		196,487	225,822	29,335	14.93
Non-operating income and expenses		(4,372)	(5,637)	(1,265)	28.93
Income before tax		192,115	220,185	28,070	14.61
Income tax expense		39,132	43,390	4,258	10.88
Net profit after tax		152,983	176,795	23,812	15.57
Analysis of the main reasons for major changes in items (items with changes between the current and prior periods exceeding 20% and change amounts exceeding NTD 10 million) and their impact: The fluctuations in various profit and loss items for the current period did not simultaneously reach the criteria of a 20% change ratio and an amount of NTD 10 million or more; therefore, there were no significant fluctuations.					

(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	2024 (A)	2025 (B)	Increase/decrease amount (B-A)	Increase/decrease ratio
Operating activities	309,968	(5,939)	(315,907)	(101.92)%
Investing activities	(104,100)	(111,758)	(7,658)	7.36 %
Financing activities	(140,351)	37,614	177,965	(126.80)%
Analysis of Changes in Cash Flow Proportions:				
1. Decrease in cash inflows from operating activities: This is mainly due to the decrease in cash inflow from accounts receivable and contract liabilities during the current year.				
2. Increase in cash outflows from investing activities: Primarily due to the increase in acquisition of property, plant, and equipment during the current year.				
3. Decrease in cash outflows from financing activities: Primarily due to the increase in short-term borrowings 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
234,301	155,632	(112,638)	277,295	None	None
Analysis of changes in cash flow for the coming year:					
Operating activities: Mainly represent the net cash inflow generated by the Company's operational activities.					
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.					

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

The Company has no major capital expenditure 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 2025, short-term borrowings amounted to NTD 660,000 thousand, mainly due to the Company's Q4 short-term borrowings to support operating activities. Interest expenses were NTD 13,693 thousand, representing only 0.26% 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 material 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 2025 and 2024, 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 2025 and 2024 would have decreased or increased by NTD 1,320 thousand and NTD 1,070 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. As of the date of publication of the annual report for the most recent fiscal year, the Company has not engaged in high-risk or high-leverage investments or derivative transactions. In 2025, the Board of Directors of the Company approved a total financing limit of NTD 350,000 thousand for its 100%-owned subsidiary, Gshare Co., Ltd., at an annual interest rate of 2% to support its business expansion. Simultaneously, the Company provided endorsements and guarantees for the subsidiary, with a balance of NTD 450,200 thousand to facilitate business expansion. All such matters were handled and risk-assessed in accordance with the "Procedures for Lending Funds to Other Parties" and the "Procedures for Endorsements and Guarantees"; therefore, they are not expected to have a material impact on the Company's profits or losses.

2. To effectively control risks, the Company's internal audit unit has established internal control system regulations for management, such as the "Procedures for Endorsements and Guarantees," "Procedures for Lending Funds to Others," and "Procedures for the Acquisition or Disposal of Assets." This control mechanism can 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, risks, 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 of 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 Disclosures

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 > Affiliated Enterprises Three Statements 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 Article 36, Paragraph 3, Subparagraph 2 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.

Chairman: Lu, Chien-San

三集雅社

