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Grand Ocean Retail Group Limited 5907

GRAND OCEAN RETAIL GROUP LIMITED

2024 Annual Report

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<http://www.grandocean.com.tw>

I Names, Titles, Contact Numbers and Emails of Spokesman, Deputy Spokesman, Litigious and Non-litigious Agent:

	Name	Title	Contact Number	Email
Spokesman	Zhang Jin Guo	Vice President	(02)2707-8833	IR@grandocean.com.cn
Deputy Spokesman	Shiu Jin Yi	Manager	(02)2707-8833	jyxu27@gmail.com
Litigious and Non-litigious Agent	Lee Seng Chay	Auditor General	(02)2707-8833	IR@grandocean.com.cn

II Company Address and Phone Number :

Company Address : P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

Tel : (86) 21-6012-7800

Headquarter Address: No.1 of Leye St., Xigang Dist., Dalian City, Liaoning Province, China

Tel : (86) 21-6012-7800

Shanghai Subsidiary Address: Room 03 – 06, 27F of No.338, Nanjing West Rd., Huangpu Dist., Shanghai City, China

Tel : (86) 21-6012-7800

III Name, Address, Website, Tel of Stock Transfer Institution :

Name: Registry and Transfer Agency Department of KGI Securities Corporation
Address: 5F, No.2, Sec. 1, Chongqing South Rd., Zhongzheng Dist., Taipei City

Website: www.kgi.com.tw

Tel: (02)2389-2999

IV Names of CPA and Accounting Firm thereof, Address, Website and Tel of Last Annual Financial Statements:

CPA Names: Zhang Shuying 、 Pan Jun Ming

Accounting Firm: KPMG Taiwan

Address: 68F, No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

Website: <http://www.kpmg.com.tw>

Tel: (02) 8101-6666

I Names, Titles, Contact Numbers and Emails of the designated agent within the territory of the Republic of China:

	Name	Title	Contact Number	Email
	Lee Seng Chay	Auditor General	(02)2707-8833	IR@grandocean.com.cn

II

III Name and Location of the Exchange for Overseas Securities Listed, and the Methods of Inquiry for the Securities Thereof: NA

IV Company Website: <http://www.grandocean.com.tw> ; <http://www.grandocean.com.cn>

Directors of Board

Title	Name	Nation ality	Main Education and Work Experience
Chairman	Kuo Jen Hao	ROC	Pace University NY MBA Finance and Accounting major American CPA Director 、 Chief financial officer of Natural Group Vice president of Private Equity Management Group PWC Transaction Services Merrill Lynch Research Assistant
Director	First Steamship Company Ltd Representative : Ng Qing Hai	HK	Chinese Certified Public Accountant Director 、 financial director 、 Vice chairman of Shanghai Allied Cement Limited Managing Director of Allied Cement Holdings Limited I.Executive director 、 Managing Director of CHIANVISION MEDIA GROUP LIMITED
Director	First Steamship S.A Representative : Zhang Jin Guo	CN	Department of Business Economics Renmin University of China General manager of Beijing Xicheng Department Store. Business manager of Beijing Xidan Shopping Center. Manager of Beijing Scitech Shopping Center Department store. Deputy General Manager of the Wuhan Store at Beijing SOGO Department Store Group. Wanda Group: Assistant to the president and Wanda Department Store Deputy general manager. Xi'an and Jinan Regional general manager of Wanda Business Management Company. Director, Vice president of Grand Ocean Department Store Group Limited.
Director	Lee Seng Chay	MY	Bachelor of Science, Monash University, Australia. Mulpha International Bhd, General Manager. President/Vice President of Mabuhay Holdings Corporation,
Independent director	Ding Jin Huei	ROC	NCTU Executive Master of Business Administration. Ph.D. in Business Management, Tianjin Nankai University. Certified Public Accountant of the Republic of China. Member of School Affairs Fund of NCTU.and adjunct Assistant Professor Director 、 Secretary of Chinese Association of Valuation. Host of Taipei's bus privatization planning and implementation plan. Independent Director of ASSEM TECHNOLOGY CO., LTD, LUNG HWA ELECTRONIC CO., LTD. Director of Hong Kong Baofu Asset Management Co., Ltd.
Independent director	Sher Ching Yee	HK	Master of Practising Accounting, MONASH UNIVERSITY ; Bachelor degree from University of London ; Member of the Association of Chartered Certified Accountants, UK. Auditor of Deloitte Touche Tohmatsu Limited (HK) ; Director of Dehui International (Group) Co., Ltd ; Vice Chairman & MG of Xiamen Shijia Chemical Co., Ltd ; GM of Qianjing Clothing Co., Ltd. ; GM of Qingdao Mingyu Real Estate Plaza Co., Ltd.
Independent director	Lee Jenn Yuh	ROC	Master of Real Estate Management from New York University ; Bachelor of Urban Planning, National Cheng Kung University ; Passed the college entrance examination for urban planner license ; Passed the special examination for land registration professional agent ; Passed the Financial Trust Business Personnel Examination ; Asset Business Department Manager and Investment Promotion Department Manager of Tesco Taiwan Co., Ltd. (Tesco Supermarket in the UK) ; Development Manager and Investment Promotion Department of Carrefour Taiwan Co., Ltd. (Carrefour, France) ; Assistant to the President and Director of Development Department of Grand Ocean Department Store Group ; Preparatory General Manager of Shanghai 1000 Trees Commercial Management Company

INDEX

ONE. REPORT TO SHAREHOLDERS	1
TWO. COMPANY INTRODUCTION	6
I DATE OF ESTABLISHMENT	6
II COMPANY HISTORY	6
III GROUP STRUCTURE	7
THREE. CORPORATE GOVERNANCE REPORT	13
I PERSONAL INFORMATION OF DIRECTOR, SUPERVISOR, GENERAL MANAGER, VICE GENERAL MANAGER, ASSISTANT GENERAL MANAGER, AND MANAGER OF EACH DEPARTMENT AND BRANCH	13
II REMUNERATIONS FOR DIRECTOR, INDEPENDENT DIRECTOR, GM AND VGM	24
IV INFORMATION ON PROFESSIONAL FEES OF ACCOUNTANT	73
V INFORMATION ON ACCOUNTANT CHANGE:	74
VI THE COMPANY'S CHAIRMAN, GM, MANAGERS OF FINANCIAL OR ACCOUNTING AFFAIRS, WHO HAS EVER WORKED IN THE ACCOUNTANT'S AFFILIATED FIRM OR ITS AFFILIATES IN THE PAST YEAR:	74
VII LAST FISCAL YEAR, AND AS OF THE DATE OF PUBLICATION OF ANNUAL REPORT, DIRECTORS, SUPERVISORS, MANAGERS AND SHAREHOLDERS WHOSE EQUITY TRANSFER AND SHAREHOLDING PLEDGE CHANGES WITH A SHAREHOLDING RATIO OF MORE THAN 10%	74
VIII INFORMATION ON INTERRELATIONS BETWEEN EACH SHAREHOLDER WHOSE SHAREHOLDING RATIO IS RANKED AS ONE OF THE TOP TEN	76
IX THE NUMBER OF SHARES HELD BY THE COMPANY, THE COMPANY'S DIRECTORS, MANAGERS AND THE COMPANY DIRECTLY OR INDIRECTLY CONTROLLED BY THE SAME REINVESTMENT BUSINESS, AND COMBINED TO CALCULATE THE COMPREHENSIVE SHAREHOLDING RATIO	76
FOUR.FINANCING SITUATION	78
I CAPITAL AND SHARES	78
II CORPORATE BONDS (INCLUDING OVERSEA CORPORATE BONDS) TREATMENT:	81
III PREFERRED STOCK TREATMENT:	81
IV OVERSEAS DEPOSITARY RECEIPT TREATMENT:	81
V EMPLOYEE STOCK OPTION CERTIFICATE TREATMENT:	81
VI TREATMENT OF RESTRICTION OF EMPLOYEE RIGHTS TO NEW SHARES:	81
VII TREATMENT OF MERGING OR GRANTING SHARES OF OTHER COMPANIES TO ISSUE NEW SHARES:	81
VIII TREATMENT OF FUNDS OPERATION PLAN:	81
FIVE. OPERATION OVERVIEW	82
IX BUSINESS CONTENTS	82
X MARKET AND PRODUCTS SELLING OVERVIEW	87
XI NUMBER OF EMPLOYEE IN THE PAST 2 YEARS	96
XII INFORMATION ON GREEN EXPENSES	96
XIII LABOR RELATIONS	96
XIV INFORMATION AND COMMUNICATION SECURITY MANAGEMENT	98
XV MATERIAL CONTRACT	99
SIX. REVIEW AND ANALYSIS OF FINANCIAL STATUS AND FINANCIAL PERFORMANCE AND RISK ISSUES	103
I FINANCIAL SITUATIONS	103
II FINANCIAL PERFORMANCE	104
III CASH FLOW	105
IV IMPACT OF MAJOR CAPITAL EXPENDITURES IN RECENT YEARS ON FINANCIAL OPERATIONS:	105
V REINVESTMENT POLICIES IN RECENT YEARS, MAIN REASONS OF PROFIT OR LOSS THEREOF, IMPROVEMENT PAN, AS WELL AS INVESTMENT PLAN WITHIN NEXT YEAR	105
VI ANALYSIS AND ASSESSMENT OF RISK ISSUES IN THE MOST RECENT YEAR AND UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT	107
VII OTHER MATERIAL ITEMS:	113
SEVEN. SPECIAL NOTATION	114
I CONCERNING INFORMATION OF ASSOCIATES	114

II	LAST YEAR, AND AS OF THE DATE OF PUBLICATION OF ANNUAL REPORT, TREATMENT OF THE PRIVATE PLACEMENT OF SECURITIES:	119
III	LAST YEAR, AND AS OF THE DATE OF PUBLICATION OF ANNUAL REPORT, ACQUISITION OR DISPOSAL OF THE STOCKS OF THE COMPANY BY ITS SUBSIDIARIES:	119
IV	OTHER NECESSARY SUPPLEMENTARY DESCRIPTIONS	119

EIGHT. LAST YEAR, AND AS OF THE DATE OF PUBLICATION OF ANNUAL REPORT, ANY MATERIAL INFLUENCE UPON THE SHAREHOLDERS EQUITY OR SECURITIES PRICE DEFINED IN ARTICLE 36.3.2 IN THE SECURITIES EXCHANGE ACT:	122
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One. Report to Shareholders

To Every Shareholder:

In 2024, the global economy will face pressure to slow down growth after its post-epidemic recovery. The monetary policies of major economies have entered a cycle of interest rate cuts, and the economic gap between developed and developing countries has further widened. The high inflation problem faced by many countries in 2023 will ease in 2024, but the Federal Reserve's monetary policy will still have a significant impact on the global economy. In China, the economy is in a critical period of structural adjustment and transformation, and the successive conversion of traditional growth momentum to emerging growth momentum is accelerating. By the fourth quarter, the overall consumer confidence index was 97.7, a year-on-year decrease of 4.6% and a month-on-month increase of 2.2%. Confidence in prices, investment and home purchases did not change much year-on-year, but confidence in economic development, employment and life declined year-on-year, while investment confidence rebounded significantly month-on-month. Faced with such a complex and ever-changing external environment, Grand Ocean's overall performance failed to meet expectations, but during this difficult period, we still achieved some results and progress.

Grand Ocean Center officially opened on September 1, 2024. Grand Ocean Center is located in the core area of Xunlimen on Jiefang Avenue, the first business district in Central China. It integrates shopping, entertainment, catering, leisure, humanities, art, and innovative retail, and strives to create a new trendy commercial landmark for young people's social entertainment and gatherings. Based on the Grand Ocean Classic's "fun to shop", "fun to buy" and "good value for money", we will further enhance the experience, freshness and youthfulness, and strive to become a new business card for the Wuhan consumer market.

In addition, in 2024, we adjusted and renovated some floors of some stores, including the underground floor of the Hefei store, the first and third floors of the South Second Store, the Fuzhou Second Project and the Wuhan Second Store, achieving an optimized combination of business formats and upgrading of brands, focusing on attracting investment in catering and experience formats. During the period, the investment promotion area reached 70,633 square meters, accounting for 20.1% of the total investment promotion ratio. The vacancy rate further decreased, which significantly improved the product power. As people's consumption habits change, they prefer experiences and are indifferent to pure retail, so Grand Ocean continues to promote the shopping centerization of department stores and increase the proportion of experience formats. At present, most of the stores have basically realized the adjustment into department store shopping centers, such as the Fuzhou underground street, Quanzhou store, Shiyan store and Nanjing store. A small number are in progress. This adjustment can give full play to the company's advantages and increase consumers' experience attributes of shopping centers. Grand Ocean is relatively advanced in this regard in the industry.

In 2024, the parking lots of Grand Ocean's eight stores will be connected to the in-store micro-mall, making parking easier and redeemable with points, which improves the convenience and activity of members. The group's membership system is connected with Meituan's to facilitate the sharing of membership benefits. At the same time, 9 stores introduced Meituan power banks, further enhancing member acquisition and customer convenience.

In 2024, Grand Ocean significantly improved the frequency and efficiency of its online activities, and carried out many large-scale live broadcast events. The live broadcast GMV (excluding Meituan) reached RMB 100 million, of which self-broadcasting performance was RMB 80 million. Grand Ocean released 8,643 short videos on platforms such as WeChat Video Account, Douyin, and rednote Short Video, providing leading fashion promotions such as outfits for various occasions, increasing the stickiness between each platform and customers, and making Ocena fans interested in and dependent on Grand Ocean, which in turn promoted the attractiveness of stores and the purchasing power of customers. For example, the Yichang store, Hefei store, Wuhan store, Wuhan Second store, Shiyan store, Grand Ocean Center and Fuzhou Second store performed very well. In the process,

many stores with outstanding performance emerged. Grand Ocean 's online performance increased by 16% year-on-year, and the proportion of online performance increased to 34%.

Grand Ocean also continued to reduce its overseas US dollar borrowings, which were remitted from China on a continuous basis for repayment, thereby reducing its overseas financial expenses.

I. Operation Results 2024

(I) Achievements of Operational Plans

Annual consolidated operating revenues of the group in 2024 was NT\$ 3,234,915 thousand, which grew by a decrease of 15.32% than NT\$ 3,820,133 thousand in 2023; net loss after tax in 2024 was NT\$ (511,891) thousand, which grew by a decrease of 75.44% in 2023; Loss per share in 2024 was NT\$2.62.

Denominated in RMB, the Group's full-year consolidated operating revenue for 2024 was RMB728,667 thousand, and its net loss after tax was RMB115,305 thousand; the full-year consolidated operating revenue for 2023 was RMB863,713 thousand, and its net loss after tax was RMB471,181 thousand.

(II) Budget Execution Overview

Undisclosed Financial Estimates 2024 of Grand Ocean Retail Group Ltd.

(III) Analyses on Financial Revenues and Expenses, as well as Profitability

(1) Business Revenues

The consolidated operating income for the full year of 2024 is NT\$3,234,915 thousand, a decrease of 15.32% from NT\$3,820,133 thousand in 2023. The main reason is the poor overall environment in China, which has affected people's willingness to consume and caused a decline in operating income.

(2) Operating Expenses

The consolidated operating expenses for the full year of 2024 (including operating costs and operating expenses) were NT\$3,325,920 thousand, a decrease of NT\$724,224 thousand (17.88%) from NT\$4,050,144 thousand in 2023; of which operating costs decreased by NT\$156,015 thousand (24.33%), and operating expenses decreased by NT\$568,209 thousand (16.67%); the decrease in operating costs was mainly due to the decrease in the proportion of direct sales, and the smaller increase in operating expenses was mainly due to control-related expenses.

(3) Profitability

The consolidated net operating profit for the full year of 2024 was a loss of NT\$121,278 thousand, a decrease of NT\$118,787 thousand from a loss of NT\$240,065 thousand in 2023; the consolidated net operating profit margin increased from (-6.28%) in 2023 to (-3.75%) in 2024; the consolidated non-operating income and expenses in 2024 were (-326,297) thousand, a decrease of NT\$1,295,237 thousand from (-1,621,534) thousand in 2023. The main reason for the decline in profits is the unfavorable overall environment in China, which has affected people's willingness to consume and thus affected profits. In addition, last year, losses were recognized from the closure of WuhanIIIstore, the market value of owned properties and the impairment of trademark rights. This situation did not occur in the current period, so the loss was reduced.

(IV) Research & Development

Our Group is in the department store retail industry and does not participate in the research and development and manufacturing of products. Therefore, we have no research and development plans and expenses. However, in terms of industry characteristics, the development and training of management personnel and the improvement of talent quality are important conditions for providing companies with competitive capabilities in the future. Grand Ocean's main management level, including department directors and store managers, have decades of experience in marketing planning, investment promotion, store expansion selection and other management of department store retail. In recent years, it has also vigorously recruited young management cadres to further rejuvenate the store managers and management-level positions. In particular, the reserve cadres selected from key colleges and

universities in recent years have gradually taken up important positions in various stores and the borderless retail business department after careful training by Grand Ocean. In the future, in order to meet its own development needs, Grand Ocean will further strengthen talent development and training, and reserve and employ more outstanding retail management talents to improve the level of store management.

II. Overview of Operational Plans 2025

It is difficult for the current Chinese consumer market to return to its best-selling trend in the short term. Consumers' habits are still at the stage of passive reach, and the growth rate of online consumption is still several times that of offline consumption. The shift of consumers from "cost-effectiveness" to "quality-price ratio" is enough to reflect the current downturn in the consumer market.

In 2025, Grand Ocean proposed the business theme of "following the trend to drive both online and offline wheels; responding to the trend and focusing on the retail experience in both directions." All stores are required to adapt to market trends and consumer demands, adhere to the policy of "online traffic, offline experience", and provide consumers with a full range of shopping services. Through the dual-wheel drive of online and offline, we will steadily advance market expansion. At the same time, we will continue to innovate, optimize our brand lineup, and actively introduce emerging business formats and brands to achieve the goal of two-way integration of retail and experience.

III. Strategies of Future Company Development

Currently, the sluggish trend of China's consumer market has not improved, and consumers are paying more attention to product quality and experience, practicality and value. This places higher demands on physical businesses. In order to meet this challenge, we need to adjust our business philosophy, conduct in-depth research on consumer behavior and psychology, grasp their personalized and diversified needs, and make full use of tools such as big data and AI technology to deepen member management and implement refined management and precision marketing. At the same time, online and offline channels should complement each other, give full play to the role of talents, actively cultivate professional talents, and promote the company's innovation and progress. The following are development strategies for the current situation:

(1) Deeply cultivate online and offline membership management

Grand Ocean has always adhered to the "customer-centric" business philosophy and has accumulated rich membership resources over many years of operation. Through big data and AI technology, we analyze consumers' shopping behaviors and habits, and then implement targeted marketing to meet their personalized and diversified needs, and ultimately achieve precision marketing.

In terms of member management, we conduct data analysis to gain an in-depth understanding of member profiles, and on this basis, we plan a variety of member-only activities, such as member day activities on fixed dates every month, and redemption of high-value points for popular products or services. In addition, traditional offline promotional channels can no longer meet current demand, so it is necessary to promote activities through multiple online and offline channels in advance to attract members to actively participate.

Grand Ocean Boundless Retail Business Department is committed to expanding online sales channels, expanding the scope of online promotions, and actively developing strategic cooperation with mainstream online platforms to make up for the shortcomings of offline sales.

(2) Make every effort to promote investment promotion, adjustment, reform and upgrading

Adjustment, reform and upgrading have become the only way for the retail industry to adapt to consumption changes and cope with competition. In 2025, Grand Ocean will focus on promoting investment promotion for 1000 Trees Phase I and Phase II, Wuhan Grand Ocean Center and Fuzhou Second Store. Accurately position target brands based on factors such as the city's economic level, consumption habits and population structure. For example, Shanghai has diverse and high-end consumption, so it can introduce children's experience formats and fashion sports formats that focus on quality and experience; Wuhan has high consumption vitality, focuses on cost-effectiveness and trends, so it can introduce cost-effective brands, trendy domestic products and Internet celebrity restaurants; Fuzhou's developed business districts need brands with quality assurance and local specialty restaurants. In 2025, our goal is to reduce the vacancy rate to less than 10%, providing strong support for the stable development of the group.

(3) Streamlining administration and improving efficiency

Streamlining administration and staffing is a key measure to improve efficiency, reduce costs, enhance flexibility and service quality, and help build business and adapt to market demand. In 2025, Grand Ocean will further optimize store staffing and strictly control redundant costs. At the same time, we will refine the responsibilities of management levels, comprehensively sort out and optimize the team of management-level cadres, and implement an "upward and downward" assessment mechanism. For departments or individuals that fail to meet the standards, set clear rectification deadlines to comprehensively improve management efficiency.

In addition, based on the successful experience of OA time-limited approval, we will regularly collect employees' feedback on the OA system, optimize problems such as cumbersome processes and long approval times, simplify the approval procedures, shorten response time, and improve overall work efficiency.

(4) Strengthen talent training and improve incentive mechanisms

Grand Ocean will further strengthen talent cultivation, break the conventional employment mechanism, tap employees with special talents and potential, and select talents in an unconventional way. For employees with outstanding performance, regardless of qualifications or academic qualifications, they will be given promotion opportunities or the right to participate in important projects to ensure that talents can maximize their value in suitable positions.

At the same time, we will improve the talent incentive mechanism and deepen the implementation of the target responsibility system for all employees. The system has achieved remarkable results in more than two years since its implementation. In 2024, despite the impact of the overall environment, only a few stores successfully received bonuses, but this proves that we are willing to give employees more rewards as long as the goals are achieved. In 2025, we will further optimize the assessment system, assign responsibilities specifically to management levels and floors, and strengthen monthly assessments. If the target is not achieved, the group will help analyze the problem and develop improvement strategies; if there is no improvement after assistance, some people will be eliminated.

IV. Analyses on Influence by External Competition, Laws and Regulations, as well as Overall Environments

The development trend of the consumer market in 2025 will be influenced by the combined influence of technological progress, social changes and economic environment. Specifically, the process of online and offline integration is accelerating, and consumers' requirements for shopping experience are increasing; consumption concepts have shifted from focusing on "cost-effectiveness" to pursuing "quality-price ratio"; and the demand for personalized consumption and emotional consumption has significantly increased. Grand Ocean will closely monitor this trend and actively make targeted adjustments.

In 2024, the retail industry faces two major pressures: weak consumption and consumption diversion. The overall situation is worse than expected, and businesses are generally under great pressure in their operations. At the Central Economic Work Conference held in mid-December, "boosting consumption, improving investment efficiency, and expanding domestic demand in all directions" was listed as the first of the nine tasks to be carried out in 2025, which brought a major turning point for retail development.

China is currently actively activating its domestic financial markets and increasing support for the development of the stock market. There are signs of overseas funds flowing in, which may subsequently create breakthroughs in the economy and boost domestic consumption. Various provinces and cities in China have successively launched large-scale infrastructure projects, including the renovation of old cities and the construction of infrastructure, in order to produce a new and old driving force transformation, which is expected to be of considerable help to the recovery of the domestic consumer market. It is still difficult to judge whether China's consumer market will improve soon, but some of the above favorable signs have appeared, which will stimulate the domestic consumer market.

"The future is bright, but the road is tortuous." Although the retail market is facing difficulties, we firmly believe that the current difficulties are temporary. Grand Ocean should follow the trend and adapt to market and consumer demands, continuously improve its business capabilities, actively adjust and upgrade, and optimize resource allocation. By focusing on consumers, improving service quality, and concentrating our efforts on overcoming difficulties, we will surely usher in new development opportunities.



Grand Ocean Retail Group Limited.

Chairman: GUO REN HAO



Two. Company Introduction

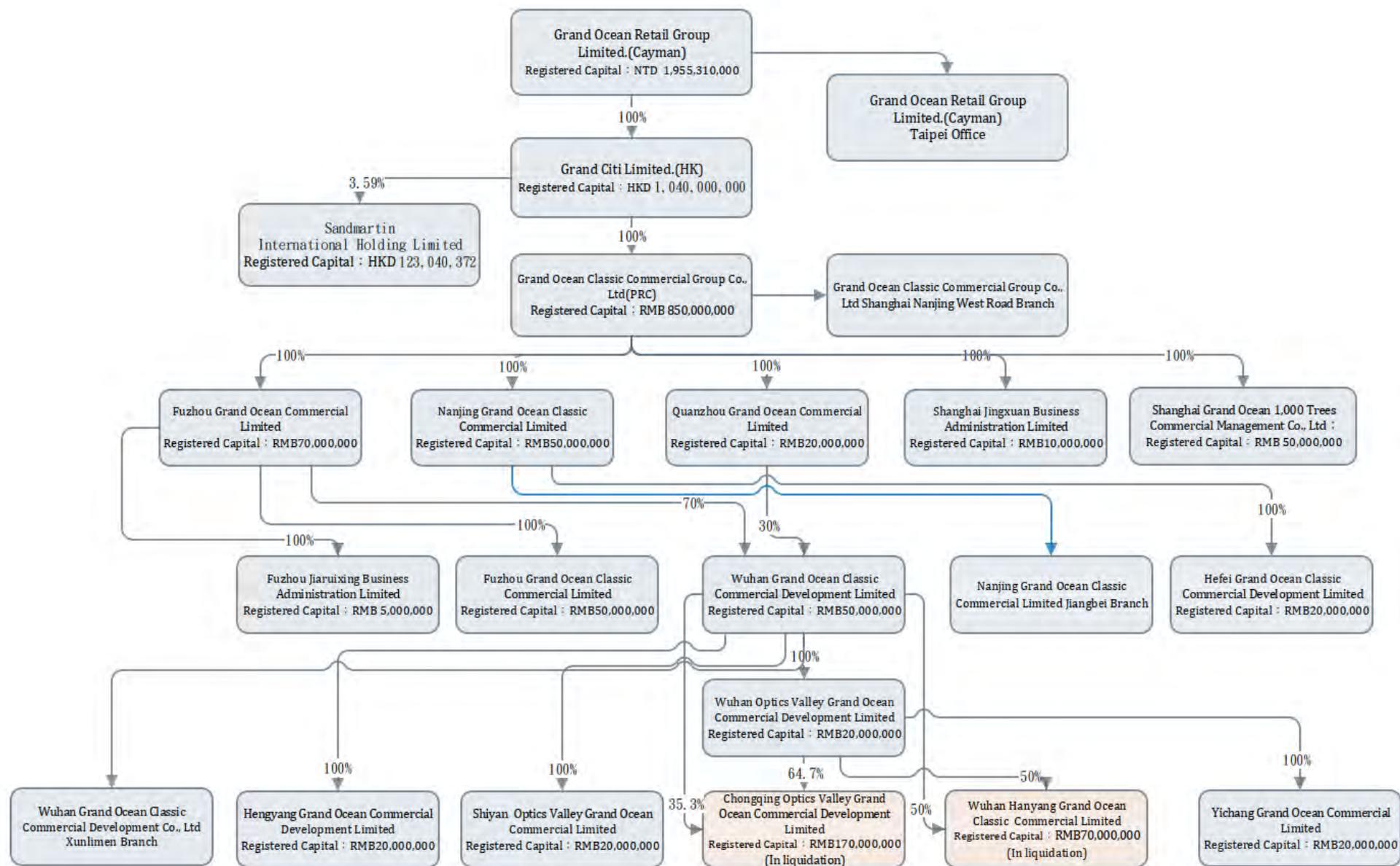
I Date of Establishment

Founded in Dalian, China (P.R.C.) in May 2002

II Company History

Grand Ocean Retail Group Ltd. (hereinafter referred to as Grand Ocean or the company) is one of the largest and most influential department retail distribution groups in mainland China. As a holding company, Grand Ocean Department Store Group Ltd. deploys all the retail stores in each major city in compliance with our operation strategy “a department store for a company”. Our operation team members mainly contain most of those talents who expertize in department operation, coming from Taiwan and China. We actively uphold the concepts of “Fashion We Lead, Taste We have”, “Genuineness We Deliver, Reputation We Believe” and “Customer the Highest, Service the Newest” to create a shopping environment with extraordinary fashion, taste and comfort for our customers all over. Operations of Grand Ocean Group contain shopping, leisure events, entertainment and catering services, making it a comprehensive department retail entity. The very first department store – Fuzhou Zhongcheng Grand Ocean Department Store Ltd. of our Group was founded in Sep 2002. As the economic was growing rapidly in mainland China, consumption ability of the people also increased. Afterwards, Grand Ocean subsequently established its own branches in different provinces and regions in China to enlarge the group scale, and has become one of the largest-scale department groups among the mainland. As of the publication date of the Annual Report, Grand Ocean Group has totally founded 14 department stores, covering 9 cities in China, including Shanghai, Fuzhou, Nanjing, Quanzhou, Wuhan, Hengyang, Yichang, Hefei and Shiyan (containing Fuzhou Jiaruixing Underground Shopping Center). Grand Ocean shall keep deeply cultivating in the three major regions where we have the advantage in competitiveness (Fujian, Jiangsu, Anhui, Hubei and Hunan included): Sino-center region based on Wuhan city, Sino-east region based on Nanjing city, as well as Sino-south region based on Fuzhou city. At the end of 2021, Grand Ocean entered the first-tier city of Shanghai. The Grand Classic 1000 trees project, which was grandly opened on the bank of Suzhou River Shanghai is the perfect beginning of the great vision of “creating another Grand Ocean” of our staff.

III Group Structure



Important Events

Date	Important Events
May 2002	Dalian Grand Ocean Department Store Ltd. was founded in Dalian City, Liaoning Province, China.
Jun 2002	Fuzhou Zhongcheng Grand Ocean Department Store Ltd. was founded.
Aug 2002	Nanjing Grand Ocean Department Store Ltd. was founded.
Sep 2002	Fuzhou Zhongcheng Grand Ocean Department Store (Fuzhou Primary Store) was opening.
Sep 2002	Suzhou Grand Ocean Department Store Ltd. was founded.
Nov 2002	Suzhou Grand Ocean Department Store was opening.
Jan 2003	Quanzhou Grand Ocean Department Store Ltd. was founded.
Jan 2003	Nanjing Grand Ocean Department Store (Nanjing Store) and Quanzhou Grand Ocean Department Store (Quanzhou Store) were opening.
Apr 2003	Wuxi Grand Ocean Department Store Ltd. was founded.
May 2003	Wuxi Grand Ocean Department Store (Wuxi Store) was opening.
May 2003	Dalian Grand Ocean Department Store Ltd. was renamed as Grand Ocean Department Store Group Ltd.
Jan 2004	Changzhou Tianan Grand Ocean Department Store Ltd. (which was later renamed as Changzhou Peace Grand Ocean Department Store Ltd.) was founded.
Mar 2004	Changzhou Peace Grand Ocean Department Store (Changzhou Store) was opening.
Sep 2004	Wuhan Grand Ocean Department Store Ltd. (which was later renamed as Wuhan Zhongshan Grand Ocean Department Store Ltd.) was founded.
Dec 2004	Wuhan Zhongshan Grand Ocean Department Store (Wuhan Primary Store) was opening.
Jun 2005	Disposal of Subsidiaries – Equities of Changzhou Peace Grand Ocean Department Store Ltd., Wuxi Grand Ocean Department Store Ltd. and Wuhan Zhongshan Grand Ocean Department Store Ltd.
Jul 2005	The company, Nature Sources Limited, reinvested by First Steamship Co., Ltd. acquired a part of stock rights of the offshore holding company located in the British Virgin Islands (BVI), Regal Ocean International Ltd., and used it as the holding company of Grand Ocean Department Store Group Ltd.
Feb 2006	Ministry of Commerce of the People's Republic of China (MOFCOM) ratified Regal Ocean International Ltd. to acquire 70% of the total equity of Grand Ocean Department Store Group Ltd. After the transaction was fulfilled, First Steamship Co., Ltd. became the largest shareholder of Grand Ocean Department Store Group Ltd.
Jun 2006	First Steamship Co., Ltd. modified the investment structure, and transferred a part of stock rights of Regal Ocean International Ltd. to the investment company, First Steamship S.A.
Aug 2006	Grand Ocean Retail Group Ltd. (hereinafter referred to as Grand Ocean or the company) was founded in the Cayman Islands to be the holding parent company of the Group as well as an application entity of primary listing.
Dec 2006	Dalian Foreign Trade & Economic Cooperation Bureau ratified Regal Ocean International Ltd. to acquire 100% of the equity of Grand Ocean Department Store Group Ltd.
Feb 2007	Regal Ocean International Ltd. formally acquired 100% of the equity of Grand Ocean Department Store Group Ltd.
Mar 2007	Repurchase of the equities of Changzhou Peace Grand Ocean Department Store Ltd., Wuxi Grand Ocean Department Store Ltd. and Wuhan Zhongshan Grand Ocean Department Store Ltd.

Date	Important Events
Mar 2007	Acquisition of the equity of Fuzhou Grand Ocean Department Store Ltd.
Jul 2007	Wuhan Optics Valley Grand Ocean Department Store Ltd. was founded.
Oct 2007	The organization structure was adjusted. A new holding company – Grand Citi Ltd. was founded in Hong Kong by Regal Ocean International Ltd., and all the equities of Grand Ocean Department Store Group Ltd. were transferred to Grand Citi Ltd.
Nov 2007	The organization structure was adjusted. The stocks of Regal Ocean International Ltd. were swapped with the ones of Grand Ocean, making the former a subsidiary whose equity was 100% possessed by the company, also Grand Ocean Department Store Group Ltd. became a subsidiary whose equity was 100% possessed indirectly by the company.
Nov 2007	Fuzhou Grand Ocean World Department Store Ltd. was founded.
Dec 2007	Wuhan Optics Valley Grand Ocean Department Store (Wuhan Secondary Store) and Fuzhou Grand Ocean Department Store (Fuzhou Secondary Store) were opening.
Feb 2008	Xiangtan Grand Ocean Department Store Ltd. was founded.
Mar 2008	Chongqing Optics Valley Department Store Ltd. was founded.
May 2008	Fuzhou Grand Ocean World Department Store (Fuzhou Third Store) was opening.
Jul 2008	Wuhan Longyang Grand Ocean Department Store Ltd. was founded.
Sep 2008	Xi'an Grand Ocean Department Store Ltd. was founded.
Dec 2008	Chongqing Optics Valley Department Store (Chongqing Store) was opening.
Mar 2009	Shihkiachwang Zhongshan Grand Ocean Department Store Ltd. was founded.
Mar 2009	In the cause of simplification of the organization structure, the company merged Regal Ocean International Ltd., making Grand Citi Ltd. a subsidiary whose equity was 100% possessed directly by the company.
Aug 2009	Hengyang Grand Ocean Department Store Ltd. was founded.
Sep 2009	Xi'an Grand Ocean Department Store (Xi'an Store) and Xiangtan Grand Ocean Department Store (Xiangtan Store) were opening.
Dec 2009	Wuhan Longyang Grand Ocean Department Store (Wuhan Third Store) was opening.
Sep 2010	Yichang Grand Ocean Department Store Ltd. was founded.
Dec 2010	Nanjing Grand Ocean Department Store Ltd. Jiangbei Branch was founded.
Dec 2010	Hengyang Grand Ocean Department Store (Hengyang Store) was opening.
May 2011	Grand Ocean Retail Group Ltd. Taipei Office was founded.
May 2011	Fuzhou Elegance Food & Beverage Co., Ltd. was founded to approach the delicate and high-class restaurant industry.
Jun 2011	Nanjing Grand Ocean Department Store Hefei Ltd. was founded.
Jun 2011	Shanghai Sunny Ocean Clothes & Accessories Trading Co., Ltd. was founded to develop clothing of our own brand.
Sep 2011	Yichang Grand Ocean Department Store (Yichang Store) was opening.
Sep 2011	Wuhan Grand Ocean Real Estate Co., Ltd. was founded to handle the development business of the properties for department store locations.
Dec 2011	Shihkiachwang Zhongshan Grand Ocean Department Store (Shihkiachwang Store) was opening.
Mar 2012	Shanghai Honglin Commerce Co., Ltd. was founded to deal with the Shopping Card business of department stores.

Date	Important Events
Jun 2012	Grand Ocean Retail Group Ltd. was formally listed in Taiwan Stock Exchange (TWSE).
Jul 2012	Heritage Riches Ltd. (H.K.) was founded.
Oct 2012	Investment on Suzhou Bohong Asset Management Joint Venture.
Nov 2012	Nanjing Grand Ocean Department Store Hefei (Hefei Store) was opening.
Jan 2013	Disposal of the subsidiary, Wuhan Grand Ocean Real Estate Co., Ltd.
Mar 2013	Disposal of the subsidiary, Changzhou Peace Grand Ocean Department Store Ltd.
Mar 2013	Putian Grand Ocean Department Store Ltd. was founded.
Mar 2013	The lease agreement of Wuxi Grand Ocean Department Store Ltd. expired to therefore discontinue operation.
May 2013	The real estate developer of Shihkiachwang Zhongshan Grand Ocean Department Store Ltd. failed to fulfill the contract to deliver the new mall; therefore the operation was discontinued.
Jul 2013	Investment on Hubei Sino-Universe Investment Co., Ltd. was ratified.
Aug 2013	Due to the long-term losses, both Fuzhou Elegance Food & Beverage Co., Ltd. and Shanghai Sunny Ocean Clothes & Accessories Trading Co. ceased operation.
Mar 2014	Selling of Xi'an Grand Ocean Department Store with a deficit was ratified.
May 2014	Shanghai Honglin Commerce Co., Ltd. failed to efficiently open up the market for business expanding; therefore the operation was discontinued.
Sep 2014	Tongling Grand Ocean Department Store Ltd. was founded.
Oct 2014	The capital of Putian Grand Ocean Department Store Ltd. was reduced to RMB\$5,000 thousand.
Dec 2014	Hubei Xianning Store (administration store) was opening.
Mar 2015	Establishment of Grand Ocean Pawn Co., Ltd. in Fuzhou was ratified.
Jun 2015	Selling of 41.2% of the equity of Grand Ocean Pawn Co., Ltd. was ratified.
Dec 2015	First write-down of the treasury stock at 1,000,000 shares was ratified.
Dec 2015	Selling of 45.0% of the equity of Grand Ocean Pawn Co., Ltd. was ratified.
Mar 2016	Second write-down of the treasury stock at 1,501,000 shares was ratified.
Mar 2016	CPOS system was launched into each store of the entire Group, and Grand Ocean clearly defined the path to fully support e-wallet.
Apr 2016	A strategical cooperation arrangement of QQ Wallet was cosigned between Tencent Group and Grand Ocean.
May 2016	A strategical cooperation agreement was cosigned between China Minsheng Bank Corp., Ltd. (CMBC) and Grand Ocean.
Jun 2016	QQ Wallet was formally introduced in the presentation of Grand Ocean Department Store, that e-wallet system was to be conducted into each store, and WeChat Pay, Alipay, ApplyPay, Quick Pass and JD Wallet were also to be introduced subsequently.
Jun 2016	Investment strategies of the Group were adjusted, and the wholly-owned investment company, HERITAGE RICHES LTD., was sold.
Sep 2016	O2O Department was founded in the Group; mainly responsible for promotion and cooperation with e-commerce business.
Sep 2016	WeChat digital membership card was launched in the CPOS system of Grand Ocean, and membership card of the Group stepped into the digital age.
Sep 2016	Forge of the strategic alliance with China Internet Plus Group (CIP) to co-build a brand new ecology of intelligence retail via big data.
Dec 2016	Putian Grand Ocean Department Store Ltd. was written off.

Date	Important Events
Dec 2016	Selling of the whole equity of Tongling Grand Ocean Department Store Ltd.
Dec 2016	Capital reduction as well as retrieve of the entire investments of Hubei Grand Ocean Sino-Universe Investment Co., Ltd.
Jan 2017	The Group schemed to build Shiyan Grand Ocean Modern Shopping Center via the purchase of commercial properties in “Shiyan International Finance Center”.
Mar 2017	Xi'an Grand Ocean Department Store ceased operation.
Apr 2017	The Group commenced the strategical cooperation with Baiwang Electronics to launch smart taxation, big data for public finance, and digital invoices.
Aug 2017	The Group cosigned the framework agreement of strategical cooperation with JD, containing JD Home, JD.COM, JD Finance, JD Logistics, as well as the membership and big data.
Nov 2017	Shanghai Jingxuan Business Administration Ltd. was founded.
Dec 2017	New purchase of the commercial properties in 8F and 9F in “Shiyan International Finance Center”.
Dec 2017	The strategical cooperation was arranged between Grand Ocean Group and China Postal Express & Logistics to develop a new combination approach of “Internet + Retail + Express”.
Jan 2018	Xi'an Grand Ocean Department Store Ltd. had been written off.
Feb 2018	Stock agency of the company was changed to KGI Securities Investment Trust Co. Ltd.
Feb 2018	Hubei Shiyan Grand Ocean Modern Shopping Ltd. started business.
Apr 2018	Fuzhou Jiaruixing Business Administration Ltd. was founded.
Oct 2018	Fuzhou Jiaruixing Business Administration Ltd. started business.
Dec 2018	Suzhou Grand Ocean Department Store discontinued operation.
Dec 2018	Xiangtan Grand Ocean Department Store discontinued operation.
Jun 2019	Commercial areas on the 1F and 2F of Shiyan International Financial Center have been additionally purchased.
Nov 2019	Suzhou Grand Ocean Department Store Limited completed its cancellation.
Mar 2020	Established Borderless Retail Division.
Apr 2020	Fuzhou Grand Ocean World Department Store Limited ceases business.
Jun 2020	The group companies changed their Chinese names, and the Chinese name of the company was changed from "大洋百貨集團控股股份有限公司" to "大洋商業集團控股股份有限公司", declaring that the group would get rid of the traditional department store format and strive towards a new retail model.
Nov 2020	Established Investment Business Division.
Nov 2020	Xiangtan Grand Ocean Department Store completed its cancellation.
Dec 2020	Fuzhou Grand Ocean World Department Store Limited completed its cancellation.
Feb 2021	Established Merchants Business Division.
July 2021	Acquired Shangsai 1000 trees Commercial Management Co., Ltd, and Changed its name to Shanghai Grand Ocean 1000 trees Commercial Management Co., Ltd.
Oct 2021	1-3 floors of Fuzhou Grand Ocean Commerce Limited closed.
Dec 2021	Shanghai Grand Ocean 1000TREES Shopping Mall opens.
Mar 2022	Capital increase in Chongqing Optics Valley Grand Ocean Commercial Development Limited.
Oct 2022	Chongqing Optics Valley Grand Ocean Commercial Development Limited close permanently.

Date	Important Events
Aug 2023	Wuhan Grand Ocean Classic Commercial Development Co., Ltd Xunlimen Branch was founded.
Sep 2023	Capital increase in Wuhan Hanyang Grand Ocean Classic Commercial Limited.
Sep 2023	Equity changes in Yichang Grand Ocean Commercial Limited.
Sep 2023	Wuhan Hanyang Grand Ocean Classic Commercial Limited. ceases business.
Sep 2024	Wuhan Grand Ocean Center opened (Xunlimen Branch).

Three. Corporate Governance Report

I Personal Information of Director, Supervisor, General Manager, Vice General Manager, Assistant General Manager, and Manager of Each Department and Branch

(I) Director of the Board (the company has assigned an Audit Committee, hence there is no Supervisor)

Apr 30, 2025

Title Name	Nationality or Registration	Gender / Age	Date of Election (Take Office)	Expiry Date of Office	Date of the First Election	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
						Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
Chairman Kuo Jen Hao	ROC	M 41 50	2023.06.15	2026.06.14	2016.06.23	0	0	0	0	0	0	0	0	Pace University NY MBA Finance and Accounting major American CPA Director · Chief financial officer of Natural Group Vice president of Private Equity Management Group PWC Transaction Services Merrill Lynch Research Assistant	Chairman and GM of FIRST STEAMSHIP COMPANY LIMITED, ROYAL SUNWAY DEVELOPMENT CO., LTD, Chairman of Youcheng Financial Leasing Co., Ltd. Chairman and non-executive director of Sandmartin International Holdings Limited. Chairman of First Steamship S.A.(PANAMA), Praise Maritime S.A.(PANAMA), Longevity Navigation S. A.(PANAMA), Best Steamship S.A. (PANAMA), Grand Steamship S.A. (PANAMA), Black Sea Steamship S.A. (PANAMA), Ship Bulker Steamship S.A. (PANAMA), Reliance Steamship S.A. (PANAMA), Alliance Steamship S.A. (PANAMA), Sure Success Steamship S.A. (PANAMA), Shining Steamship Investment S.A.(PANAMA), Excellent Steamship International S.A. (PANAMA) ; Director of Grand Citi Limited (HK), First Mariner Holding Ltd.(BVI) · Ahead Capital Ltd.(BVI), Media Assets Global Ltd.(BVI),	-	-	-	-

Title Name	Nationality or Registration	Gender / Age	Date of Election (Take Office)	Expiry Date of Office	Date of the First Election	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
						Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
															Heritage Riches Ltd.(BVI), First Mariner Capital Ltd.(BVI), Mariner Capital Ltd.(HK), Mariner Far East Ltd.(HK) ; Chairman and CEO of Taiwan Environment Scientific Co., Ltd. Director of Jia Wang Asset Development Co., Ltd Member of Remuneration/Remuneration Committee and Audit Committee of DA YU FINANCIAL HOLDINGS LIMITED. Chairman of Yonghenghui Investment Limited, Fuliyang Technology Co., Ltd, Heang Fu International Co., Ltd. Director of Wiselink Co., Ltd., Yung Fu Co.,Ltd., Pro brand Technology (TW) Inc.				
First Steamship Company Ltd	ROC	-	2023.06.15	2026.6.14	2014.01.03	6,760	3.35%	19,552	9.99%	0	0	0	0	-	-	-	-	-	-
Representative : Director Ng Qing Hai	HK	M 61 70	2023.06.15	2026.6.14	2014.06.27	0	0	2,600	1.33%	0	0	0	0	Chinese Certified Public Accountant Director 、 financial director 、 Vice chairman of Shanghai Allied Cement Holdings Limited Managing Director of Allied Cement Holdings Limited.. Legal representative of Executive director 、 Managing Director of CHIANVISION MEDIA GROUP LIMITED	Deputy Chairman and General Manager of Shanghai Allied Cement Limited. CEO of Shanghai Allied Cement Holdings Limited. Legal representative of Shandong Allied Wangchao Cement Limited. Director of First Steamship Company Ltd. Director and General Manager of Grand Ocean Retail Group Limited. Director of Grand Citi Limited Chairman of Grand Ocean Classic Commercial Group Co., Ltd.	-	-	-	-

Title Name	Nationality or Registration	Gender / Age	Date of Election (Take Office)	Expiry Date of Office	Date of the First Election	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
						Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
															land GMs of Each Associate (Page115~116)				
First Steamship S.A	PA	-	2023.06.15	2026.6.14	2011.04.24	91,560	45.33%	91,560	46.83%	0	0	0	0	-	-	-	-	-	-
Representative : Director Zhang Jin Guo	CN	M 61 70	2023.06.15	2026.6.14	2017.04.01	0	0	0	0	0	0	0	0	Department of Business Economics Renmin University of China General manager of Beijing Xicheng Department Store Business manager of Beijing Xidan Shopping Center Manager of Beijing Scitech Shopping Center Department store Deputy general manager Of Beijing SOGO Department store group Deputy general manager of Wuhan store Wanda Group: Assistant to the president and Wanda Department Store Deputy general manager Xi'an and Jinan Regional general manager of Wanda Business Management Company Director、Vice president of Grand Ocean Department Store Group Limited	Director、Vice president of Grand Ocean Classic Commercial Group Co., Ltd Supervisors and GMs of Each Associate (Page115~116)	-	-	-	-
Director Lee Seng Chay	MY	M 61 70	2023.06.15	2026.6.14	2014.06.27	0	0	0	0	0	0	0	0	Bachelor of Science, Monash University, Australia. Mulpha International Bhd, General Manager. President/Vice President of Mabuhay Holdings Corporation,	Auditor General of Grand Ocean Retail Group Limited Director of Grand Citi Limited and Grand Ocean Classic Commercial Group Co., Ltd Chairman of Xundong Investment Co., Ltd and Jiancheng Investment Co., Ltd.	-	-	-	-

Title Name	Nationality or Registration	Gender / Age	Date of Election (Take Office)	Expiry Date of Office	Date of the First Election	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
						Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
Independent director Ding Jin Hwei	ROC	M 61 70	2023.06.15	2026.6.14	2020.06.17	0	0	0	0	0	0	0	0	NCTU Executive Master of Business Administration ; Ph.D. in Business Management, Tianjin Nankai University ; Certified Public Accountant of the Republic of China Member of School Affairs Fund of NCTU, and adjunct Assistant Professor ; Director 、 Secretary of Chinese Association of Valuation ; Host of Taipei's bus privatization planning and implementation plan ; Independent Director of Assem Technology Co.,Ltd. 、 Lung Hwa Electronic Co.,Ltd. ; Director of Hong Kong Baofu Asset Management Co., Ltd.	Director of PAN ASIA INTERNATIONAL & CO., CPAs ; Supervisor of HUANABIOTECH CO., LTD ; Director of UNION WINNER INTERNATIONAL CO., LTD.(KY)	-	-	-	-
Independent director Sher Ching Yee	HK	F 51 60	2023.06.15	2026.6.14	2020.06.17	0	0	0	0	0	0	0	0	Master of Practising Accounting, MONASH UNIVERSITY ; Bachelor degree from University of London ; Member of the Association of Chartered Certified Accountants, UK. Auditor of Deloitte Touche Tohmatsu Limited (HK) ; Director of Dehui International (Group) Co., Ltd ; Vice Chairman & MG of Xiamen Shijia Chemical Co., Ltd ; GM of Qianjing Clothing Co., Ltd. ; GM of	Vice Chairman of Dehui International (Group) Co., Ltd ; Chairman of Qingdao Mingyu Real Estate Plaza Co., Ltd.	-	-	-	-

Title Name	Nationality or Registration	Gender / Age	Date of Election (Take Office)	Expiry Date of Office	Date of the First Election	Number of Shares at Election		Number of Shares Current		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
						Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
														Qingdao Mingyu Real Estate Plaza Co., Ltd.					
Independent director Lee Jenn Yuh	ROC	M 51 60	2023.06.15	2026.6.14	2020.06.17	0	0	0	0	0	0	0	0	Master of Real Estate Management from New York University ; Bachelor of Urban Planning, National Cheng Kung University ; Passed the college entrance examination for urban planner license ; Passed the special examination for land registration professional agent ; Passed the Financial Trust Business Personnel Examination ; Asset Business Department Manager and Investment Promotion Department Manager of Tesco Taiwan Co., Ltd. (Tesco Supermarket in the UK) ; Development Manager and Investment Promotion Department of Carrefour Taiwan Co., Ltd. (Carrefour, France) ; Assistant to the President and Director of Development Department of Grand Ocean Department Store Group ; Preparatory General Manager of Shanghai 1000 Trees Commercial Management Company	Independent Director, Member of Remuneration Committee and Nomination Committee of Grand Ocean Retail Group Limited.	-	-	-	-

Major Shareholder as Juridical Person

Apr 14,2025

Name of Shareholder as Juridical Person	Major Shareholder as Juridical Person
First Steamship S.A.	First Steamship Company Ltd (100%)
First Steamship Company Ltd	Henghua Investment Co., Ltd.(6.92%)、Capital Securities Corp. in custody for Investment Account of Luk Fook Securities (HK) Ltd.(5.62%)、Yonghenghui Investment Co., Ltd.(2.88%)、Xundong Investment Co., Ltd.(1.84%)、JPMorgan Chase Bank (Taiwan) in custody for Advance Starlight Aggregate International Stock Index Fund(1.19%)、JPMorgan Chase Bank (Taiwan) in custody for Vanguard Emerging Markets Fund Investment Account(1.11%)、China Trust Commercial Bank is entrusted to keep China Trust Comprehensive Certificate (0.83%)、JPMorgan Chase Bank (Taiwan) in custody for Advance Trust Stock Index II Investment Account(0.58%)、Citigroup Managed DFA Emerging Market Core Securities Investment Account (0.37%)、JPMorgan Chase Bank, in custody for Investment Account of JP Morgan Securities (0.32%)

Major Shareholder of Juridical Person Who Is Major Shareholder of the company

Apr 14,2025

Name of Shareholder as Juridical Person	Major Shareholder as Juridical Person
First Steamship Company Ltd	Henghua Investment Co., Ltd.(6.92%)、Capital Securities Corp. in custody for Investment Account of Luk Fook Securities (HK) Ltd.(5.62%)、Yonghenghui Investment Co., Ltd.(2.88%)、Xundong Investment Co., Ltd.(1.84%)、JPMorgan Chase Bank (Taiwan) in custody for Advance Starlight Aggregate International Stock Index Fund(1.19%)、JPMorgan Chase Bank (Taiwan) in custody for Vanguard Emerging Markets Fund Investment Account(1.11%)、China Trust Commercial Bank is entrusted to keep China Trust Comprehensive Certificate (0.83%)、JPMorgan Chase Bank (Taiwan) in custody for Advance Trust Stock Index II Investment Account(0.58%)、Citigroup Managed DFA Emerging Market Core Securities Investment Account (0.37%)、JPMorgan Chase Bank, in custody for Investment Account of JP Morgan Securities (0.32%)
Heng Hwa Investment Company Limited	Sheng Shin Investment Company Limited (100%)
Yong Heng Huei Investment Co.,Ltd.	Kuo Jen Hao(99%)、Lai Yi Ying(1%)
Shiun Tung Investment Company Limited	Jian Cheng Investment Company Limited (100%)
Sheng Shin Investment Company Limited	HANGLETON HOLDINGS LTD.(100%)
Jian Cheng Investment Company Limited	FORTUNE GOLD INVESTMENTS LTD.(100%)

Disclosure of professional qualifications of directors and independent directors and independence of independent directors:

Conditions Name	Professional qualifications and experience	Independence conformity	Number of occupation of Independent Director in other listed companies concurrently
Kuo Jen Hao	Professional qualifications and educational experience : Pace University NY MBA Finance and Accounting major American CPA Director 、 Chief financial officer of Natural Group Vice president of Private Equity Management Group PWC Transaction Services Merrill Lynch Research Assistant Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.		—
First Steamship Company Ltd Representative: Ng Qing Hai	Professional qualifications and educational experience : Chinese Certified Public Accountant Director 、 financial director 、 Vice chairman of Shanghai Allied Cement Limited Managing Director of Allied Cement Holdings Limited. Legal representative of Nanjing Tiandu Industry Co., Ltd. Executive director 、 Managing Director of CHIANVISION MEDIA GROUP LIMITED Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.		—
First Steamship S.A. Representative : Zhang Jin Guo	Professional qualifications and educational experience : Department of Business Economics Renmin University of China General manager of Beijing Xicheng Department Store Business manager of Beijing Xidan Shopping Center Manager of Beijing Scitech Shopping Center Department store Deputy general manager Of Beijing SOGO Department store group Deputy general manager of Wuhan store Wanda Group: Assistant to the president and Wanda Department Store Deputy general manager Xi'an and Jinan Regional general manager of Wanda Business Management Company Director 、 Vice president of Grand Ocean Department Store Group Limited Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.		—
Lee Seng Chay	Professional qualifications and educational experience : Bachelor of Science, Monash University, Australia. Mulpha International Bhd, General Manager. President/Vice President of Mabuhay Holdings Corporation, Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.		—
Ding Jin Huei	Professional qualifications and educational experience : NCTU Executive Master of Business Administration ; Ph.D. in Business Management, Tianjin Nankai University ; Certified Public Accountant of the Republic of China Member of School Affairs Fund of NCTU and adjunct Assistant Professor ; Director 、 Secretary of Chinese Association of Valuation ; Host of Taipei's bus privatization planning and implementation plan ; Independent Director of Assem Technology Co.,Ltd. 、 Lung Hwa Electronic Co.,Ltd. ; Director of Hong Kong Baofu Asset Management Co., Ltd. Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.	Independence description: The company has obtained a written statement and kinship list from independent directors to confirm their immediate family members' independence relative to the company. None of the company's three independent directors and their second-class relatives have served in the company and the Group, and have not received any remuneration other than directors' remuneration. Among them, Ding Jin Huei, independent director of Taiwan Environment Scientific Co., Ltd., has tendered his resignation from the position of independent director on May 28, 2023. The independence of the directors of the company needs to be judged according to the actual situation. The board of directors is committed to evaluating the independence of directors by considering all relevant factors, including whether the relevant directors can continue to be the management or other directors, whether their words and deeds are appropriate inside and outside the board of directors, and whether they can	0
Sher Ching Yee	Professional qualifications and educational experience : Master of Practising Accounting, MONASH UNIVERSITY ; Bachelor degree from University of London ; Member of the Association of Chartered Certified Accountants, UK.		0

Conditions Name	Professional qualifications and experience	Independence conformity	Number of occupation of Independent Director in other listed companies concurrently
	Auditor of Deloitte Touche Tohmatsu Limited (HK) ; Director of Dehui International (Group) Co., Ltd ; Vice Chairman & MG of Xiamen Shijia Chemical Co., Ltd ; GM of Qianjing Clothing Co., Ltd. ; GM of Qingdao Mingyu Real Estate Plaza Co., Ltd Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.	exercise independent judgment and make suggestions on proposals. The behavior of the independent directors of the company can meet the expectations and show the characteristics above. After considering all the conditions described in this part, the company believes that all independent directors are independent of the company. The CVs of all directors and related personnel and the relationship among the members (if any) are detailed on pages 13~17.	
Lee Jenn Yuh	Professional qualifications and educational experience : Master of Real Estate Management from New York University ; Bachelor of Urban Planning, National Cheng Kung University ; Passed the college entrance examination for urban planner license ; Passed the special examination for land registration professional agent ; Passed the Financial Trust Business Personnel Examination ; Asset Business Department Manager and Investment Promotion Department Manager of Tesco Taiwan Co., Ltd. (Tesco Supermarket in the UK) ; Development Manager and Investment Promotion Department of Carrefour Taiwan Co., Ltd. (Carrefour, France) ; Assistant to the President and Director of Development Department of Grand Ocean Department Store Group ; Preparatory General Manager of Shanghai 1000 Trees Commercial Management Company Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.		0

Director diversity policy:

The company advocates and respects the diversification policy. In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the diversification policy will help improve the function of the board of directors. Members of the board of directors are selected based on the principle of abilities, and the talents in various industries can complement different professional abilities.

In accordance with Article 20 of the Code of Practice for Corporate Governance of the company, members of the board of directors shall generally have the knowledge, skills and literacy necessary for the performance of their duties. In order to achieve the goals of corporate governance, the overall capabilities of the board of directors are as follows:

- I. Operational judgment ability.
- II. Accounting and financial analysis ability.
- III. Operation and management ability.
- IV. Crisis management ability.
- V. Industrial knowledge
- VI. International market perspective.
- VII. Leadership.
- VIII. Decision-making ability.

The current board of directors of the company consists of seven directors, including four general directors and three independent directors. The members have rich experience and expertise in the fields of business management, risk control, financial accounting and boutique fashion. To achieve the diversity of background, experience, and professional aspects required by the company's diversity policy and to promote multiple perspectives, the company's board of directors should have at least one director with an accounting or financial professional background and at least one director with business management experience as part of the company's management goals. At present, 4 of the 7 directors have financial and accounting majors, and all of them have

experience in business operation and management. In addition, the company also pays attention to gender equality in the composition of the board of directors. The target ratio of female directors is more than 25%. At present, the ratio of seven directors, including one female directors, is 14%. Although the proportion of seats held by single-sex directors does not reach one-third, the Company has been paying attention to the requirements of relevant laws and regulations regarding gender diversity on the Board of Directors. To enhance gender diversity on the Board of Directors, the Company intends to take the following measures to gradually achieve its goals: (1) Expand the scope of selection: In the future selection process for director candidates, the Company will actively seek female director candidates with diverse backgrounds. (2) Provide professional training: Provide corporate governance and finance-related training courses for potential female director candidates. The average tenure of the directors of the company is about 6.5 years, of which the tenure of the three independent directors is 3.8 years, and none of the independent directors have served more than three consecutive terms. The average age of board members is 61.

The implementation of the diversification policy of board members is as follows:

Diversified items Director's Name	Basic Component							
	Nationality	Gender	Part-time employee	age			Tenure and seniority of independent directors	
				41~50	51~60	61~70	3 years or less	6-9years
Kuo Jen Hao	ROC	M		✓			-	-
Ng Qing Hai	HK	M	Y			✓	-	-
Zhang Jin Guo	CN	M	Y			✓	-	-
Lee Seng Chay	MY	M	Y			✓	-	-
Ding Jin Hwei	ROC	M				✓	-	✓
Sher Ching Yee	HK	F			✓		-	✓
Lee Jenn Yuh	ROC	M			✓		✓	-

Diversified items Director's Name	Industry Experience				Professional Establishment						
	Accounting	Industry	Finance	Marketing	Operational judgment	Accounting and finance	Operation management	Crisis management	Industrial knowledge	International market perspective	Leadership and decision making
Kuo Jen Hao	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Ng Qing Hai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Zhang Jin Guo		✓		✓	✓		✓	✓	✓	✓	✓
Lee Seng Chay		✓			✓		✓	✓	✓	✓	✓
Ding Jin Hwei	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Sher Ching Yee	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Lee Jenn Yuh		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Independence of the Board of Directors:

The 6st Board of Directors of the company consists of 7 directors, with a composition of 4 regular directors and 3 independent directors, with 43% of the composition being independent directors. None of the independent directors and second-degree relatives hold positions in the company or the group to which they belong, and the directors do not have spouses or relatives within the second degree of relationship with other directors. In addition, the directors of the company (including independent directors) have been verified to have no circumstances under paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The company's board of directors is independent

(II) Personal Information of General Manager, Vice General Manager, Assistant General Manager, and Manager of Each Department and Branch

APR 30,2025

Title	Nationality	Name	Gender	Date of Election (Take Office)	Number of Shares		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
					Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
General manager of GORG and President of GOCC	HK	Ng Qing Hai	M	2015.12.21	2,600	1.33%	0	0	0	0	Chinese Certified Public Accountant Director · financial director · Vice chairman of Shanghai Allied Cement Limited Managing Director of Allied Cement Holdings Limited Executive director · Managing Director of CHIANVISION MEDIA GROUP LIMITED	Deputy Chairman and General Manager of Shanghai Allied Cement Limited. CEO of Shanghai Allied Cement Holdings Limited. Chairman of Shandong Allied Wangchao Cement Limited. Director of Grand Citi Limited Chairman of Grand Ocean Classic Commercial Group Co., Ltd. and GMs of Each Associate (Page115~116)	—	—	—	—
Auditor General	MY	Lee Seng Chay	M	2014.08.12	0	0	0	0	0	0	Bachelor of Science, Monash University, Australia. Mulpha International Bhd, General Manager. Mabuhay Holdings Corporation.President/Vice President	Director of Grand Ocean Retail Group Limited, Grand Citi Limited, Grand Ocean Classic Commercial Group Co., Ltd. Chairman of Xundong Investment Co., Ltd and Jiancheng Investment Co., Ltd.	—	—	—	—
Chief Financial Officer	Australian	Yau Dennis Wai Tak	M	2023.07.10	0	0	0	0	0	0	Allied Group Limited,Head of Internal Audit · Rising Peak Group Company Limited,Chief Financial Officer,and Company Secretary. Canton Property Investments Limited,Chief Financial Officer,and Company Secretary. Bachelor of Economics,with Accounting major,Macquarie University,Sydney,Australia. Member of the Australian Society of Certified Practising Accountants.	Chief Financial Officer and Accountant of First Steamship Company Limited.	—	—	—	—

Title	Nationality	Name	Gender	Date of Election (Take Office)	Number of Shares		Number of Shares Current of Spouse and Minor Children		Number of Shares in Name of Others		Major Education and Experience	Concurrent Position of the company or Other Companies	Other Managers, Directors or Supervisors Who Have Relation as Spouse, or within Second-degree Relatives			Notation
					Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio	Number of Shares (thousand)	Shareholding Ratio			Title	Name	Relation	
Accounting supervisor	CN	Li Chao	M	2022.03.30	0	0	0	0	0	0	Shanghai Institute of Building Materials Industry Director of Finance Department and Chief Accountant of Hubei Non-Metallic Geology Company Hong Kong Shanghai Allied Cement Limited、Shanghai Allied Cement Limited senior management Financial management and chief financial officer of Shanghai Allied Cement Limited.	Financial officer of Grand Ocean Classic Commercial Group Co., Ltd	—	—	—	—
Vice President of GOCC	CN	Zhang Jin Guo	M	2016.04.01	0	0	0	0	0	0	Department of Business Economics Renmin University of China General manager of Beijing Xicheng Department Store Business manager of Beijing Xidan Shopping Center Manager of Beijing Scitech Shopping Center Department store Deputy general manager Of Beijing SOGO Department store group Deputy general manager of Wuhan store Wanda Group: Assistant to the president and Wanda Department Store Deputy general manager Xi'an and Jinan Regional general manager of Wanda Business Management Company Director、Vice president of Grand Ocean Department Store Group Limited	Director、Vice president of Grand Ocean Classic Commercial Group Co., Ltd Personal Information of Directors, Supervisors and GMs of Each Associate (Page115~116)	—	—	—	—

II Remunerations for Director, Independent Director, GM and VGM
Remunerations of Last Fiscal Year for Director, Independent Director, GM and VGM

1 Remunerations for Director (Independent Director included)

Currency: NTD (thousand)

Title	Name	Remunerations for Director								Related Remunerations for Employee with Concurrent Employment								Proportion of the Sum of A, B, C, D, E, F and G to Net Income after Taxes	Any remuneration acquired from reinvestments besides subsidiaries or parent company			
		Compensations (A)		Pensions (B)		Remunerations for Director (C)		Operating Expenses (D)		Proportion of the Sum of A, B, C and D to Net Income after Taxes		Salaries, Bonuses and Special Disbursements (E)		Pensions (F)		Remunerations for Employee (G)						
		The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company				All the Companies Included in the Financial Statements		The company
Chairman	Kuo Jen Hao	727	727	-	-	-	-	-	-	727 0.14%	727 0.14%	-	-	-	-	-	-	-	-	727 0.14%	727 0.14%	5,203
Director	First Steamship Company Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Representative : Ng Qing Hai	612	612	-	-	-	-	-	-	612 0.12%	612 0.12%	-	5,421	-	-	-	-	-	-	612 0.12%	6,033 1.18%	-
Director	First Steamship S.A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Representative : Zhang Jin Guo	612	612	-	-	-	-	-	-	612 0.12%	612 0.12%	-	5,935	-	-	-	-	-	-	612 0.12%	6,547 1.28%	-
Director	Lee Seng Chay	612	612	-	-	-	-	-	-	612 0.12%	612 0.12%	-	5,240	-	-	-	-	-	-	612 0.12%	5,852 1.14%	-
Independent Director	Ding Jin Huei	612	612	-	-	-	-	-	-	612 0.12%	612 0.12%	-	-	-	-	-	-	-	-	612 0.12%	612 0.12%	-
Independent Director	Sher Ching Yee	612	612	-	-	-	-	-	-	612 0.12%	612 0.12%	-	-	-	-	-	-	-	-	612 0.12%	612 0.12%	-
Independent Director	Lee Jenn Yuh	612	612	-	-	-	-	-	-	612 0.12%	612 0.12%	-	-	-	-	-	-	-	-	612 0.12%	612 0.12%	-

1. The policies, procedures, standards and structure of independent Directors' remuneration, as well as the description of their responsibilities, risks, time spent, and the linkage to the amount paid:

The remuneration of the company's Directors includes the compensation and Director's emoluments. According to the provisions of the company's Articles, if the company has profit before taxes in the year, the company should make an attribution of no more than 3% from the profit before taxes for the Directors' remuneration. The distribution ratio and amount of Directors' remuneration are determined by the Board of Directors, having considered the responsibilities, time spent, performance evaluation of the Directors, as well as the company's operating results, and operational risks in the future.

2. Except as disclosed in the table above, the remuneration received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, (such as being independent contractors): None.

Table of Remuneration Bracket

Bracket of Remunerations Paid to Each Director of the company	Name of Director			
	Total Amount of the Remunerations by (A+B+C+D)		Total Amount of the Remunerations by (A+B+C+D+E+F+G)	
	The company	All the Companies Included in the Financial Statements (H)	The company	Parent Company and all the Companies Included in the Financial Statements (I)
Less than NTD1,000,000	Kuo Jen Hao; Ng Qing Hai; Zhang Jin Guo; Lee Seng Chay; Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.	Kuo Jen Hao; Ng Qing Hai; Zhang Jin Guo; Lee Seng Chay; Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.	Kuo Jen Hao; Ng Qing Hai; Zhang Jin Guo; Lee Seng Chay; Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.	Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.
NTD1,000,000~NTD2,000,000(Excluded)	—	—	—	—
NTD2,000,000~NTD3,500,000(Excluded)	—	—	—	—
NTD3,500,000~NTD5,000,000(Excluded)	—	—	—	—
NTD5,000,000~NTD10,000,000(Excluded)	—	—	—	Kuo Jen Hao; Ng Qing Hai; Zhang Jin Guo; Lee Seng Chay;
NTD10,000,000~NTD15,000,000(Excluded)	—	—	—	—
NTD 15,000,000~NTD30,000,000(Excluded)	—	—	—	—
NTD 30,000,000~NTD 50,000,000(Excluded)	—	—	—	—
NTD 50,000,000~NTD 100,000,000(Excluded)	—	—	—	—
More than NTD 100,000,000	—	—	—	—
Total (number of people)	9	9	9	9

2 Remunerations Paid to Each GM and VGM

Currency: NTD (thousand)

Title	Name	Salaries (A)		Pensions (B)		Bonuses and Special Disbursements (C)		Remunerations for Employee(D)				Proportion of the Sum of A, B, C and D to Net Income after Taxes (%)		Any remuneration acquired from reinvestments besides subsidiaries or parent company
		The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company		All the Companies Included in the Financial Statements		The company	All the Companies Included in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General manager of GORG and Chairman of Grand Ocean Classic Commercial Group Co., Ltd	Ng Qing Hai	4,307	6,033	-	-	-	-	-	-	-	-	4,307 0.84%	6,033 1.18%	-
Auditor General	Lee Seng Chay	1,250	5,852	-	-	-	-	-	-	-	-	1,250 0.24%	5,852 1.14%	-
Vice President of Grand Ocean Classic Commercial Group Co., Ltd	Zhang Jin Guo	2,348	6,547	-	-	-	-	-	-	-	-	2,348 0.46%	6,547 1.28%	-
Chief Financial Officer	Yau Dennis Wai Tak	1,103	1,103									1,103 0.21%	1,103 0.21%	3,426
Accounting supervisor	Li Chao	-	2,876									-	2,876 0.56%	-

3 Remunerations Paid to five top executives

Currency: NTD (thousand)

Title	Name	Salaries (A)		Pensions (B)		Bonuses and Special Disbursements (C)		Remunerations for Employee(D)				Proportion of the Sum of A, B, C and D to Net Income after Taxes (%)		Any remuneration acquired from reinvestments besides subsidiaries or parent company
		The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company	All the Companies Included in the Financial Statements	The company		All the Companies Included in the Financial Statements		The company	All the Companies Included in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General manager of GORG and President of GODS	Ng Qing Hai	4,307	6,033	-	-	-	-	-	-	-	-	4,307 0.84%	6,033 1.18%	-
Auditor General	Lee Seng Chay	1,250	5,852	-	-	-	-	-	-	-	-	1,250 0.24%	5,852 1.14%	-
Vice President of GODS	Zhang Jin Guo	2,348	6,547	-	-	-	-	-	-	-	-	2,348 0.46%	6,547 1.28%	-
Accounting supervisor	Li Chao	-	2,876	-	-	-	-	-	-	-	-	-	2,876 0.56%	-
Chief Financial Officer	Yau Dennis Wai Tak	1,103	1,103	-	-	-	-	-	-	-	-	1,103 0.21%	1,103 0.21%	3,426

Table of Remuneration Bracket

Bracket of Remunerations Paid to Each GM and VGM of the company	Name of GM and VGM	
	The company	Parent Company and all the Companies Included in the Financial Statements
Less than NTD1,000,000	—	—
NTD1,000,000~NTD2,000,000(Excluded)	Lee Seng Chay , Yau Dennis Wai Tak	
NTD2,000,000~NTD3,500,000(Excluded)	Zhang Chin Guo	Li Chao
NTD3,500,000~NTD5,000,000(Excluded)	Ng Qing Hai	Yau Dennis Wai Tak
NTD5,000,000~NTD10,000,000(Excluded)	—	Ng Qing Hai Lee Seng Chay Zhang Chin Guo
NTD10,000,000~NTD15,000,000(Excluded)	—	—
NTD 15,000,000~NTD30,000,000(Excluded)	—	—
NTD 30,000,000~NTD 50,000,000(Excluded)	—	—
NTD 50,000,000~NTD 100,000,000(Excluded)	—	—
More than NTD 100,000,000	—	—
Total (number of people)	4	5

Distribution of Employee Remunerations of Last Fiscal Year for Manager and the Name Thereof

Currency: NTD (thousand)

Title	Name	Stock Amount	Cash Amount	Total	Proportion of the Sum to Net Income after Taxes (%)
Manager	GM as well as President of Grand Ocean Classic Group	Ng Qing Hai			
	CRO	Lee Seng Chay			
	Vice President of Grand Ocean Classic Group	Zhang Chin Guo	—	—	—
	Chief Financial Officer	Yau Dennis Wai Tak			
	Accounting Supervisor	Li Chao			

Analyses are launched on the proportion of the sums of remunerations paid to the Directors, Supervisors, GMs and VGMs by the company and all the companies included in the consolidated financial statements in the past two years, to the net income after taxes. Also, explanations are drawn for the policies, criteria and combinations of the remunerations, procedures of how to define the remunerations, as well as the relativity between operational performance and future risks

- Analyses are launched on the proportion of the sums of remunerations paid to the Directors, Supervisors, GMs and VGMs by the company and all the companies included in the consolidated financial statements, to the net profit after tax.

Currency: NTD (thousand)

Item	The company				All the Companies Included in the Financial Statements			
	2023	%	2024	%	2023	%	2024	%
Director	4,241	0.20%	4,399	0.86%	20,381	0.98%	20,995	4.10%
GM and VGM	9,397	0.45%	9,008	1.76%	23,095	1.11%	22,411	4.38%
Net profit after tax	(2,083,997)	100%	(511,891)	100%	(2,083,997)	100%	(511,891)	100%

- The remuneration paid by the company and all companies in the consolidated financial statements to directors, general managers and deputy general managers in 2024 an increased of NT\$614 thousand and a decreased of NT\$684 thousand respectively compared with 2023, and there is no significant change from the previous year.

- 2.1 The company has founded the Remuneration/Remuneration Committee, and has three Independent Directors designated as the Commissioners thereof. Duty of the Committee is to build and review the performance evaluation on the Directors and managers, as well as the policies, systems, criteria and structures of remuneration/compensation; also, to periodically assess the remuneration/compensation for the Directors and managers.
- 2.2 Remunerations for a Director should be granted according to the scope and value of services by this Director to the company operation, as well as the standards of the same industry domestic and abroad.
- 2.3 Remunerations for a GM and VGM should be granted according to the position and contribution to the company, as well as the standards of the same industry based on HR laws of the company.
- 2.4 The performance objectives of the company's managers are related to the risk control management to ensure the effective management and prevention of possible risks within the scope of responsibilities, and their performance evaluation is linked to human resources and remuneration policies. Management shall take into account of various risk factors in making their major decisions as the results of decisions will reflect in company's profitability.

III Corporate Governance and Operation

(I) Board Operation

(1) Board information

Board Meeting of the company had been held for 11 times (A) in total last fiscal year, and the attendance of each Director is as below:

Title	Name	Count for Actual Attendance (B)	Count for Attendance by Representative	Actual Attendance Rate (%) (B/A)	Notation
Chairman	Kuo Jen Hao	7	4	63.64%	Meeting re-election of 2023.06.15 shareholders
Director	Ng Qing Hai First Steamship Company Ltd Representative	10	1	90.91%	Meeting re-election of 2023.06.15 shareholders
Director	Zhang Jin Kuo First Steamship S.A Representative	11	0	100.00%	Meeting re-election of 2023.06.15 shareholders
Director	Lee Seng Chay	9	2	81.82%	Meeting re-election of 2023.06.15 shareholders
Independent Director	Sher Ching Yee	11	1	100.00%	Meeting re-election of 2023.06.15 shareholders
Independent Director	Ding Jin Huei	11	0	100.00%	Meeting re-election of 2023.06.15 shareholders
Independent Director	Lee Jenn Yuh	11	0	100.00%	Meeting to elect new directors of 2023.06.15 shareholders

Other Recordable Memos:

(I) If the operation of the board of directors has any of the following circumstances, the date, period, content of the proposals, opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act: Our Company has established an Audit Committee and therefore these matters are not applicable.

(2) In addition to the above matters, other matters resolved by the Board of Directors that were objected to or had reservations from the independent directors and that were recorded or stated in writing: None.

(II) Avoidance of any resolution involving self-interest with a Director should be described in details of name of the Director, bill contents, reasons for self-interest avoidance and the situations of voting thereof:

Date of Board Meeting: April 30, 2024

Proposal content: Lifting the non-competition restrictions on directors.

Name of Director: Kuo Jen Hao

Reason for avoidance of interest: Mr. Kuo Jen Hao, Chairman of the Board, serves as a director of Wiselink Co., Ltd. It is an external subsidiary that is not 100% owned, so personal interests are involved.

Participation in voting: Except for the director who withdrew from the meeting and did not participate in the discussion and voting in accordance with the law, the other directors present passed the proposal without objection.

(III) Targets (for example, foundation of the Audit Committee, raise of the information transparency, etc.) and Execution Assessment of Reinforcement on the Board Functions of Current Fiscal Year and Last Fiscal Year:

(1) Targets of Reinforcement on the Board Functions: The company has founded the Independent Directors within the Board members to strengthen the independence of the Directors. Furthermore, the company had established the Audit Committee and Remuneration/Remuneration Committee on Aug 9, 2011, and completed the establishment of the Nomination Committee on June 15, 2023 (for the relational operation of committees, please refer to Page 30~34 and 47~50). Through the setup and operation of these functional committees as above, it is expected to intensify the Board functions.

(2) Execution: Any material bill (for example, investment, acquisition or disposal of assets, loans to others or endorsements/guarantees) will not be fulfilled until the Board has it sufficiently discussed and then resolved. Besides, all the material bills resolved by the Board should be fully disclosed on the Market Observation Post System in order to achieve the goal of information transparency.

Board of Directors Assessment Status Information

Evaluation Cycle	Once per year
Evaluation Period	2024.02~2025.01
Evaluation Scope	Board of Directors, Members of the Board of Directors, Audit Committee, Remuneration Committee, Nomination Committee
Evaluation Method	Internal self-evaluation of the board of directors, evaluation of board members, and internal self-evaluation of functional committees
Evaluation Content	<ol style="list-style-type: none">1. Board of Directors performance evaluation: degree of company operations participation, Board of Directors policy quality improvement, Board of Directors composition and structure, election and continuous education of directors, and internal control.2. Individual director's performance evaluation: ability to master company goals and tasks, awareness of directors' responsibilities, company operations participation, internal relationship management and communication, professionalism and continuous education for directors, and internal control.3. Functional committee performance evaluation: degree of company operations participation, awareness of functional committee responsibilities, functional committee policy quality improvement, functional committee composition and member election, and internal control.

(II) Audit Committee Operation

Audit Committee meeting of the company had been held for 11 times (A) in total last fiscal year, and the attendance of each Independent Director is as below:

Title	Name	Count for Actual Attendance (B)	Count for Attendance by Representative	Actual Attendance Rate (%) (B/A)	Notation
Independent Director	Sher Ching Yee	11	0	100.00%	Meeting re-election of 2023.06.15 shareholders
Independent Director	Ding Jin Huei	11	0	100.00%	Meeting re-election of 2023.06.15 shareholders
Independent Director	Lee Jenn Yuh	11	0	100.00%	Meeting to elect new directors of 2023.06.15 shareholders

Other Recordable Memos:

I Any of the following circumstances in the Audit Committee's operation, the meeting date, session, proposal description, dissents, qualified opinions, or key recommendations of the independent directors, resolutions adopted by the Audit Committee, and the company's treatment to the Audit Committee's opinion shall be specified.

1. Concerning matters listed in Article 14.5 of the Securities and Exchange Act:

Audit Committee	Contents of Bill and the Subsequent Treatment Thereof
10 th meeting of the 5 th Committee 2024.03.15	<ol style="list-style-type: none"> 2023 KPMG audit fee. Revision of internal regulations related to corporate governance and internal control. Nanjing Grand Ocean's rent adjustment and settlement case. Proposal to concern impairment of the company's own property assets and trademark rights.
11 th meeting of the 5 th Committee 2024.03.28	<ol style="list-style-type: none"> Assessment and appointment of the independence and competence of the CPA. Annual Business Report and Consolidated Financial Statements 2023. 2023 internal control system statement. 2023 Audit Committee Audit Reports. 2023 Loss Recovery Statement. The company's accumulated losses amount to one-half of its paid-in capital. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
12 th meeting of the 5 th Committee 2024.03.28	<ol style="list-style-type: none"> Lifting the non-competition restriction on directors
13 th meeting of the 5 th Committee 2024.05.13	<ol style="list-style-type: none"> Supplementary explanations on the revision of internal regulations related to corporate governance and internal control. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." Plans to apply for a loan amount of US\$10 million from Grand Citi Limited, a 100%-invested subsidiary.

Audit Committee	Contents of Bill and the Subsequent Treatment Thereof
14 th meeting of the 5 th Committee 2024.06.28	<ol style="list-style-type: none"> 1. Regarding the loan of USD 10 million from the 100% invested subsidiary, Grand Ocean Classic Commercial Group Co., Ltd. 2. The company intends to apply to First Steamship S.A. for a loan amount of USD 9 million.
15 th meeting of the 5 th Committee 2024.08.12	<ol style="list-style-type: none"> 1. The company intends to apply to First Steamship S.A. for a loan amount of USD 10 million.
16 th meeting of the 5 th Committee 2024.08.27	<ol style="list-style-type: none"> 1. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 2. Consolidated financial statements for the second quarter of 2024. 3. Proposal to renew the lease of the business property of Wuhan Grand Ocean Classic Commercial Development Co., Ltd. from Wuhan Holding Company Limited, a project company of Intime Group.
18 th meeting of the 5 th Committee 2024.10.16	<ol style="list-style-type: none"> 1. Regarding the loan of USD 11 million from the 100% invested subsidiary, Grand Ocean Classic Commercial Group Co., Ltd. 2. 2024 KPMG audit fee.
19 th meeting of the 5 th Committee 2024.11.13	<ol style="list-style-type: none"> 1. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
20 th meeting of the 5 th Committee 2024.12.13	<ol style="list-style-type: none"> 1. 2025 Financial budget. 2. To formulate general principles for the company's policy on pre-approval of non-confidential services. 3. Proposed revision of the company's other internal control system - sustainable information management operations. 4. Proposes to revise the company's internal audit system and implementation rules. 5. 2025 Audit plan.

Independent Directors' opinion:

There are no objections or reservations, and no major proposed project content.

Audit Committee's resolution:

Passed as proposed after the chairperson consulted all attending members.

Treatment to the Opinion Thereof by Company:

Approved by the Board of directors.

2. As well as any bill which is not ratified by the Audit Committee but resolved through at least two-thirds vote of the total Directors: None.

II Avoidance of any resolution involving self-interest with an Independent Director should be described in details of name of the Independent Director, bill contents, reasons for self-interest avoidance and the situations of voting thereof: None.

III Communication (for example, any material matter, method or conclusion of the financial and business circumstances of the company) between the Independent Director, Internal Audit Manager and Accountant:

(I) Communication between the Independent Director and Internal Audit :

1. The internal audit officer submits the annual audit plan to the Audit Committee for discussion, and submits to the board of directors' resolutions upon the Audit Committee's approval.
2. The company's Internal Audit Supervisor: Deliver the audit or tracking report of the previous month in writing to each independent director for review; the independent directors reply or advise depending on the necessity.
3. The company's Internal Audit Supervisor: At least report the implementation of the audit operation and audit outcomes every quarter.
4. The company's Internal Audit Supervisor: Report the self-assessed effectiveness of the internal control system design and implementation (with statement) to the Audit Committee for approval and submit to the board of directors for resolution.

Date	Way of communication	Item of Communication	Recommendation and Results
2024.03.15	Audit Committee	Report the Conclusion of Internal Audit (The audit report for Nov 2023 and Jan 2024 and follow-up audit reports)	Note, no opinion, and report to the board of directors.
2024.03.28	Audit Committee	Statement of Internal Control System 2023 of the company.	All the directors present passed the proposal without objection.
2024.04.30	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Feb 2024)	Note, no opinion, and report to the board of directors.
2024.05.13	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Mar 2024)	Note, no opinion, and report to the board of directors.
2024.06.28	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Apr 2024)	Note, no opinion, and report to the board of directors.
2024.08.12	Audit Committee	Report the Conclusion of Internal Audit (The audit report for May and Jun 2024)	Note, no opinion, and report to the board of directors.
2024.09.19	Audit Committee	Report the Conclusion of Internal Audit (audit reports for July 2024)	Note, no opinion, and report to the board of directors.
2024.10.16	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Aug 2024)	Note, no opinion, and report to the board of directors.
2024.11.13	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Sep 2024)	Note, no opinion, and report to the board of directors.
2024.11.25	Audit Committee (Pre-meeting)	Internal auditors to have separate communication with independent directors - 2025 audit plan.	Note, no opinion.
2024.12.13	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Oct 2024) and follow-up audit reports.	Note, no opinion, and report to the board of directors.

Date	Way of communication	Item of Communication	Recommendation and Results
		Proposal for the 2025 audit plan.	All the directors present passed the proposal without objection.

(II) Communication between the Independent Director and CPA :

1. The Audit Committee of the company consists of all independent directors. Every year, at least one meeting is arranged to have the CPAs report the audited and reviewed the company's financial positions to the independent directors, and fully explain the effects from the amended regulations, enabling the independent directors to have a better understanding of the company's status and the policy directions of the competent authorities.
2. The independent directors may contact the CPAs directly if required.

Date	Way of communication	Item of Communication	Recommendation and Results
2024.03.28	CPA audit operation report (meeting between the CPAs and independent directors alone)	CPAs' independence, auditors' responsibilities for auditing financial reports, audit scope, 2023 profit and loss analysis and major transactions and litigation matters, important accounting standards or interpretation letters, securities regulatory laws and tax laws updates	Independent directors have no opinion
2024.11.25	CPA audit operation report (meeting between the CPAs and independent directors alone)	CPAs' independence, auditors' responsibility for auditing interim financial reports, profit and loss analysis and major transactions for the first three quarters of 2024, annual audit plans and important accounting standards or interpretation letters, and updates on securities regulations and tax regulations	Independent directors have no opinion

(III) Difference between the corporate governance and operation and "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", as well as the reasons thereof.

Evaluation Items	Operation			Difference with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", as well as the Reasons Thereof
	YES	NO	Summary	
I Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has stipulated the "Corporate Governance Best Practice Principles" and disclosed the Principles on the corporate website as well as the Market Observatory Post System (MOPS).	No significant discrepancy.
II Shareholding Structure and Shareholder Equity of the company (I) Does the company define an internal operating procedure to treat the comments, doubts, disputes as well as lawsuits from the shareholders, and accord with this procedure?	V		(I) Other than commissioning the professional shareholder services agency, the company has established the internal operational procedures to handle the shareholder services and has	No significant discrepancy.

Evaluation Items	Operation		Difference with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", as well as the Reasons Thereof	
	YES	NO		Summary
(II) Does the company actually grasp the list concerning the major shareholders as well as their final controllers thereof?			designated the specific spokesman to be responsible for responding to the proposals or inquiries from a shareholder. Should there be any legal disputes or litigation, the company shall authorize the attorneys to take care of such matters. (II) The company authorizes the professional stock agency to provide and disclose the list of major shareholders, and is therefore capable of providing the list of final controllers of each major shareholder.	No significant discrepancy.
(III) Does the company establish and exercise the risk control toward its associates as well as the firewall system?	V		(III) The company has established relevant regulations, such as the "Corporate Governance Best Practice Principles," "Procedures for Supervising and Managing Subsidiaries," "Procedures for Loaning Funds to Others," "Procedures for Endorsements/Guarantees," "Procedures of Acquisition or Disposal of Assets," and "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties," pursuant to regulations, including the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees	No significant discrepancy.

Evaluation Items	Operation			Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	Summary	
(IV) Does the company define the internal regulations, forbidding the corporate insiders to use the undisclosed information in the market to transact the marketable securities?	V		by Public Companies," and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." These regulations clearly divide the power and responsibilities between the company and its affiliates and establish proper firewalls based on risk assessments for ongoing implementation and control. (IV)The company has established the “Procedures for Handling Material Inside Information” to strictly require the insiders, quasi-insiders, and information recipients to comply with the Securities and Exchange Act, and must not apply the information not disclosed to the market to trade securities.	No significant discrepancy.
III Composition and Duty of the Board (I) Does the board of directors formulate diversity policies, specific management objectives and implement them?	V		(I) In the company’s “Principles for Election of Directors,” it is specified the diversity policy for the board members and the abilities shall be possessed by the board as a whole. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company’s business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the basic requirements and values:	No significant discrepancy.

Evaluation Items	Operation		Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	
			<p>Gender, age, nationality, and culture; and professional knowledge and skills, such as professional background, professional skills, and industry experience. The abilities that must be present in the board as a whole include the abilities to make judgments about operations, accounting and financial analysis, business management ability, crisis management ability, knowledge of the industry, an international market perspective, leadership, and decision-making.</p> <p>At least one director in the board shall have the accounting or finance expertise, and at least one director has the business administration experience; to seek the gender equality in the member composition of the board, the target percentage of the female directors is 25% or more, as the concrete management target.</p> <p>Currently, there are four directors in the board shall have the accounting or finance expertise among the seven directors, with one female directors, or 14% of the members, and thus the concrete management target of the board’s diversity is achieved.</p> <p>For the education and experience, gender, professional qualification, work experience and diversity of each director, please refer to the II:</p>

Evaluation Items	Operation			Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	Summary	
<p>(II) Does the company voluntarily found the committees with other diverse functions besides Remuneration/Remuneration Committee and Audit Committee?</p> <p>(III) Does the company define an assessment and the method thereof to evaluate the Board performance, and has the performance evaluation results been reported to the Board of Directors and used as a reference for individual director remuneration and new-term nomination?</p>	V		<p>Personal Information of Director, Supervisor, General Manager, Vice General Manager, Assistant General Manager, and Manager of Each Department and Branch in Three. Corporate Governance Report.</p> <p>(II) The company has currently established a Remuneration Committee and an Audit Committee, and established a Nomination Committee on June 15, 2023.</p> <p>(III) The company has established the “Procedures for Performance Evaluations of the Board of Directors and the Subordinate Functional Committees” and set an annual evaluation for the overall Board of Directors, individual board members and subordinating functional committees’ performances.</p> <p>The corporate governance officer is responsible for the implementation, and the internal questionnaire is adopted. For the measurement items of performance evaluation, please refer to the table on page 38.</p> <p>After all questionnaires are collected in February each year, corporate governance officer will summarize the results and submit them to the board of</p>	<p>The company has established a Nomination Committee on June 15, 2023, and will set up other functional committees in the future based on the size and needs of the company. No significant discrepancy.</p>

Evaluation Items	Operation		Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	
			<p>directors, and propose improvement measures based on the directors' suggestions.</p> <p>2024 annual performance evaluation results (evaluation period from February-2024 to January-2025) have been submitted to the Board of Directors on March 28, 2025. Regular performance evaluations will continue to be conducted according to this Method, which will serve as a future reference for individual director remuneration and new-term nomination.</p> <p>The average performance self-evaluation score of the overall Board of Directors is 4.77 points, and the average performance self-evaluation score of individual members of the Board of Directors is 4.61 points. All directors gave positive evaluations, showing that the overall Board of Directors is operating well; the average performance self-evaluation score of remuneration committee is 4.9 points, which is well-operated; the average performance self-assessment score of the Audit Committee is 5.00 points, the operation is perfect, and its functions can be fully played ; the average performance self-assessment score of the nomination committee is 4.75 points, which means that it can fully perform its functions (The full score above is 5 points)</p>

Evaluation Items	Operation			Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	Summary	
(IV) Does the company periodically assess the independence of CPAs?	V		(IV) The Audit Committee evaluates the independence and suitability of the CPA on a periodic annual basis. We require the CPA to provide a "Declarations of Impartiality and Independence" and "Audit Quality Indicators (AQIs)." Additionally, we establish 15 self-defined assessment criteria based on Article 47 of the Accountants Act and Accountant Professional Ethics Bulletin No. 10 for evaluation purposes. It has been confirmed that the CPA has no significant financial interest with the company, nor has it violated the independence requirements, and with reference to the AQI information, it has been confirmed that the CPA and the firm are superior to the average level of the industry in terms of review experience and training hours, and digital audit tools has been introduced to improve audit quality. After the evaluation results of the latest year were discussed and approved by the Audit Committee on March 28, 2024, it was submitted to the Board of Directors on the same day to approve the independence and suitability evaluation of the CPA.	No significant discrepancy.
IV Has the TWSE/TPEX listed company deployed competent and appropriate number of corporate governance personnel and designated corporate governance officer to		V	(I) A corporate governance officer is assigned to the Board, providing necessary information for the Board operations, treating relational matters regarding	No significant discrepancy.

Evaluation Items	Operation		Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	
take charge of corporate governance-related matters (including, but not limited to, providing information required by directors and supervisors to perform operations, assisting directors and supervisors with legal compliance issues, handle board of directors and shareholders meeting-related matters in accordance with the law, making Board of Directors and shareholders meeting minutes)?			<p>meetings of the audit committee and remuneration committee and nomination committee, as well as making meeting minutes for the Board Meeting and Shareholders’ Meeting. The company’s corporate governance supervisor is expected to be appointed in May. The main duties of the corporate governance supervisor are to handle matters related to the board meetings and shareholders’ meetings according to laws, produce minutes of board meeting and shareholders’ meetings, assist in onboarding and continuous development of directors, furnish information required for business execution by directors, assist directors with legal compliance, report to the board of directors the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure, handle matters related to the change of directors, and other matters set out in the articles of corporation or contracts, etc.</p> <p>(II) Corporate governance officer must complete 12 hours of continuing education in 2024, meet the required statutory continuing education hours, and complete the declaration process.</p>

Evaluation Items	Operation			Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	Summary	
			(III) Moreover, specific personnel are assigned to be responsible for company registration and the modification thereof. (IV) As for relational matters of the Shareholders’ Meeting shall be left to the authorized stock agency.	
V Has the company established communications with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up a special area for the stakeholders in the company website to appropriately respond to the key corporate social responsibility issues that are of concern to the stakeholders?			The company has installed a special section for the stakeholders on the corporate website, as well as the email and contact number, responding to each critical social issue about which the stakeholders are concerned. Please refer to the “Stakeholder Section” of the “Sustainable Development” on the official website for the complete information related to the stakeholders.	No significant discrepancy.
VI Does the company authorize a professional agent for stock affairs to deal with the affairs of Shareholders Meeting?	V		The company has authorized KGI Securities to be the stock agency, dealing with the relevant matters for Stockholders’ Meeting.	No significant discrepancy.
VII Information Open (I) Does the company install a website to disclose the information concerning its financial business and corporate governance?	V		(I) The company has installed a website for any shareholders and the public to browse, where the contents thereof adequately disclose the information regarding financial operations as well as corporate governance of the company.	No significant discrepancy.
(II) Does the company conduct any other information disclosure methods (for example, installing the English website, assigning a specific personnel to collect and disclose the company information, practicing the spokesman system, or,	V		(II) The company has founded and practice the system of spokesman. Also, specific personnel are assigned to be responsible to collect and disclose the corporate information, as well as convene the Institutional Investors’ Conference, and	No significant discrepancy.

Evaluation Items	Operation			Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	Summary	
<p>uploading the procedures of the institutional investor conference to the company website)?</p> <p>(III) Has the company announced and declared its annual financial report within two months after the end of the fiscal year; and published the 1st, 2nd, and 3rd quarter financial reports as well as the monthly operating status reports within the prescribed deadline?</p>	V		<p>upload the contents thereof to the corporate website and MOPS for any shareholders or the public to browse.</p> <p>(III) The company is currently in the process of planning to achieve early announcement and filing of financial reports. The company currently announces and submits its annual financial report within three months after the end of the fiscal year. The remaining quarterly financial reports and monthly operating conditions shall be announced and reported before the deadline as required.</p>	<p>No significant discrepancy. The company completes the filing of all relevant financial reports within the statutory period.</p>
<p>VIII Does the company have any other information which may be helpful with understanding the corporate governance as well as operation (including but not limited to the employee rights, employee care, investor relations, supplier relations, stakeholders rights, continuing education of the Directors and Supervisors, implementation of the risk management policies as well as the risk measurement criteria, execution of the customer policies, or, purchase of the liability insurance for the Directors and Supervisors by the company)?</p>			<ol style="list-style-type: none"> 1. The company has fulfilled the protection for each right and interest of an employee in compliance with the Labor Standards Act. 2. The company has setup the “Investor’s Section” on the website, disclose relevant information and provide a contact window where specific personnel are assigned to deal with the investor relations, as well as reply to each question from an investor. 3. The company has setup the “Stakeholder’s Section” on the website, where specific personnel are assigned as a communication channel among consumers, suppliers in cooperation with and employees, in order to serve various concerned parties. 4. ease refer to the table on pages 53 for the further education of directors. 5. The company has designated 	<p>No significant discrepancy.</p>

Evaluation Items	Operation			Difference with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons Thereof
	YES	NO	Summary	
			<p>the Chief Risk Officer (CRO) to coordinate and supervise both operating and financial risks of the Group, as well as direct the audit team to regularly audit the operations and management of each operating location of the Group.</p> <p>6. The company has established "Risk Management Guidelines", which are continuously monitored and implemented by the management and timely adjusted countermeasures. For relevant information, please refer to Section Seven. Review and Analysis of Financial Status and Financial Performance, as well as Risks Matters VI. Risk Management.</p> <p>7. The company has maintained liability insurance for directors and managers, and submitted important information such as insured amount, coverage and premium rate to the latest board of directors.</p>	
IX Please explain the improvement for corporate governance evaluation results issued by the Corporate Governance Center of TWSE last fiscal year, and provide the reinforcement and measures in advance for the unimproved items. (no need to fill in if the company is not listed for the evaluation).	(I)	Item Improved: None.	(II)	<p>Item Unimproved yet Reinforcements and Measures Are Provided First:</p> <p>1. Evaluation question number 4.4 (Does the company prepare and upload a sustainability report on the public information observatory and the company website in accordance with the GRI standards issued by the Global Sustainability Reporting Institute (GRI)? [If the sustainability report discloses relevant ESG information with reference to the SASB standards, one point will be added to the total score.]): The company will disclose relevant information on its official website in the future.</p> <p>2. Evaluation question number 4.24 (Has the company's sustainability report been submitted to the board of directors for approval?): The company will disclose relevant information on its official website later.</p>

Education of directors in 2024

Title	Name	Date	Organizer	Course Title	Hours
Chairman	Kuo Jen Hao	2024.10.17	Taiwan corporate Governance Association	Legal matters that the board of directors should be aware of when supervising companies: Be careful not to cross the red line of joint behavior and guard against insider trading	3.0
				How can enterprises balance intelligence, security and risks in digital transformation to create a win-win situation	3.0
		2024.10.18		Discussing integrity management and anti-corruption from the perspective of sustainable governance	3.0
				Labor dispute prevention and corporate governance (including gender equality in employment law)	3.0
Director and General Manager	Ng Qing Hai	2024.10.17	Taiwan corporate Governance Association	Legal matters that the board of directors should be aware of when supervising companies: Be careful not to cross the red line of joint behavior and guard against insider trading	3.0
				How can enterprises balance intelligence, security and risks in digital transformation to create a win-win situation	3.0
Director	LEE SENG CHAY	2024.10.17	Taiwan corporate Governance Association	Legal matters that the board of directors should be aware of when supervising companies: Be careful not to cross the red line of joint behavior and guard against insider trading	3.0
				How can enterprises balance intelligence, security and risks in digital transformation to create a win-win situation	3.0
Director	Zhang Jin Guo	2024.10.17	Taiwan corporate Governance Association	Legal matters that the board of directors should be aware of when supervising companies: Be careful not to cross the red line of joint	3.0

Title	Name	Date	Organizer	Course Title	Hours
				behavior and guard against insider trading	
				How can enterprises balance intelligence, security and risks in digital transformation to create a win-win situation	3.0
Independent Director	Sher Ching Yee	2024.10.18	Taiwan corporate Governance Association	Discussing integrity management and anti-corruption from the perspective of sustainable governance	3.0
				Labor dispute prevention and corporate governance (including gender equality in employment law)	3.0
Independent Director	Lee Jenn Yuh	2024.10.17	Taiwan corporate Governance Association	Legal matters that the board of directors should be aware of when supervising companies: Be careful not to cross the red line of joint behavior and guard against insider trading	3.0
				How can enterprises balance intelligence, security and risks in digital transformation to create a win-win situation	3.0
Independent Director	Ding Jin Hwei	2024. 03. 28	The Federation of Professional Education Training Center	Introduction to company management rights dispute cases and analysis of relevant laws and regulations	3.0
				International development trends and practices in money laundering prevention	3.0

(IV) Organization and operation of the Remuneration/Remuneration Committee of the company should be disclosed if there is one:

1 Personal Information of Remuneration/Remuneration Committee Member

Identity (Note 1)	Conditions Name	Professional qualifications and experience	Independence status	Number of occupation of Remuneration/Remu- neration Committee member in other listed companies concurrently
Independent director	Ding Jin Huei	<p>Professional qualifications and educational experience :</p> <p>NCTU Executive Master of Business Administration ; Ph.D. in Business Management, Tianjin Nankai University ; Certified Public Accountant of the Republic of China Member of School Affairs Fund of NCTU, and adjunct Assistant Professor ; Director 、 Secretary of Chinese Association of Valuation ; Host of Taipei's bus privatization planning and implementation plan ; Independent Director of Assem Technology Co., Ltd 、 Lung Hwa Electronic Co., Ltd 、 Director of Hong Kong Baofu Asset Management Co., Ltd.</p> <p>Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.</p>	<p>Independence description:</p> <p>The company has obtained a written statement and kinship list from independent directors to confirm their immediate family members' independence relative to the company. None of the company's three independent directors and their second-class relatives have served in the company and the Group, and have not received any remuneration other than directors' remuneration.</p> <p>The independence of the directors of the company needs to be judged according to the actual situation. The board of directors is committed to evaluating the independence of directors by considering all relevant factors, including whether the relevant directors can continue to be the management or other directors, whether their words and deeds are appropriate inside and outside the board of directors, and whether they can exercise independent judgment and make suggestions on proposals. The behavior of the independent directors of the company can meet the expectations and show the characteristics above.</p> <p>After considering all the conditions described in this part, the company believes that all independent directors are independent of the company.</p> <p>The CVs of all directors and related personnel and the relationship among the members (if any) are detailed on pages 21~25.</p>	-
Independent director	Sher Ching Yee	<p>Professional qualifications and educational experience :</p> <p>Master of Practising Accounting, MONASH UNIVERSITY ; Bachelor degree from University of London ; Member of the Association of Chartered Certified Accountants, UK.</p> <p>Auditor of Deloitte Touche Tohmatsu Limited (HK) ; Director of Dehui International (Group) Co., Ltd ; Vice Chairman & MG of Xiamen Shijia Chemical Co., Ltd ; GM of Qianjing Clothing Co., Ltd. ; GM of Qingdao Mingyu Real Estate Plaza Co., Ltd</p> <p>Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.</p>	<p>Independence description:</p> <p>The company has obtained a written statement and kinship list from independent directors to confirm their immediate family members' independence relative to the company. None of the company's three independent directors and their second-class relatives have served in the company and the Group, and have not received any remuneration other than directors' remuneration.</p> <p>The independence of the directors of the company needs to be judged according to the actual situation. The board of directors is committed to evaluating the independence of directors by considering all relevant factors, including whether the relevant directors can continue to be the management or other directors, whether their words and deeds are appropriate inside and outside the board of directors, and whether they can exercise independent judgment and make suggestions on proposals. The behavior of the independent directors of the company can meet the expectations and show the characteristics above.</p> <p>After considering all the conditions described in this part, the company believes that all independent directors are independent of the company.</p> <p>The CVs of all directors and related personnel and the relationship among the members (if any) are detailed on pages 21~25.</p>	-

Independent director	Lee Jenn Yuh	<p>Professional qualifications and educational experience :</p> <p>Master of Real Estate Management from New York University ; Bachelor of Urban Planning, National Cheng Kung University ; Passed the college entrance examination for urban planner license ; Passed the special examination for land registration professional agent ; Passed the Financial Trust Business Personnel Examination ; Asset Business Department Manager and Investment Promotion Department Manager of Tesco Taiwan Co., Ltd. (Tesco Supermarket in the UK) ; Development Manager and Investment Promotion Department of Carrefour Taiwan Co., Ltd. (Carrefour, France) ; Assistant to the President and Director of Development Department of Grand Ocean Department Store Group ; Preparatory General Manager of Shanghai 1000 Trees Commercial Management Company.</p> <p>Where the matter does not concern any reference in Article 30 of the company Act. : Qualified.</p>	-
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2 Operation Information of Remuneration/Remuneration Committee

2.1 There are three commissioners in the Remuneration/Remuneration Committee of the company.

2.2 Current Term of Office of Commissioner: From Jun 15, 2023 till Jun 14, 2026, Remuneration/Remuneration Committee meeting had been held for 2 times (A) in total last fiscal year, and the qualification and attendance of each commissioner are as below:

Title	Name	Count for Actual Attendance (B)	Count for Attendance by Representative	Actual Attendance Rate (%) (B/A)	Notation
Convener	Ding Jin Huei	2	0	100.00%	
Member	Sher Ching Yee	2	0	100.00%	
Member	Lee Jenn Yuh	2	0	100.00%	Meeting to elect new directors of 2023.06.15 shareholders

Other Recordable Memos:

I If the Board Meeting rejects or revises any proposal from the Remuneration/Remuneration Committee, then the date, session, bill contents, resolution results of the Board Meeting, as well as the solutions by the company to the proposal thereof should be described in details (or, if the Board ratifies the proposal, the diversity and reasons should be described in details): None.

II Any bill resolved in the Remuneration/Remuneration Committee which is recorded or proclaimed in writing with an objection or qualified opinion by a Commissioner, should be described in details of the date, session, bill contents, other comments from every Commissioners, as well as the solutions by the company to this opposite opinion: None.

Note :

I If a member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be noted in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held during his/her tenure and the number of actual attendances.

II If there is a re-election of the Remuneration Committee before the end of the year, both the new and old members of the Remuneration Committee should be listed, and the member should

be indicated in the remarks column as being the old, new, or re-elected member, as well as the date of re-election. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held during the employee's tenure and the number of actual attendances.

3 Date, content of motions and results of resolutions of 2024 Remuneration & Remuneration Committee Meeting, as well as the company's Treatment of the Opinions made to the Remuneration & Remuneration Committee:

Remuneration/ Remuneration Committee	Contents of Motions and the Subsequent Actions taken Thereof	Results of Resolutions	How the company treats the Opinions of Remuneration & Remuneration Committee
2024.06.28	I The company's wholly-owned subsidiary Grand Citi Limited shall file its salary tax return.	All members of the Committee consent to and submit a report to the board of directors	Not applicable
2024.11.13	I. In response to the decline in physical retail consumption in China after the COVID-19 pandemic, the company plans to adjust its two equity incentive plans.	All members of the committee agreed to pass it and submitted it to the board of directors for review.	Not applicable

(V) Information on the members of the Nomination Committee and their operation:

1 Qualifications and responsibilities of nomination committee members

In order to continuously improve corporate governance and corporate sustainable development and enhance the competitiveness of the capital market, on March 16, 2023, the Board of Directors resolved to establish the organizational rules of the Nomination Committee, and appointed nomination committee members after the full re-election of the Board of Directors in June of the same year. Pursuant to the company's Nomination Committee Organizational Charter, the committee members shall be appointed by resolution of the Board of Directors and their number shall not be less than three, of which a majority shall be independent directors. The company's Nomination Committee is composed of all independent directors.

The Nomination Committee shall, in the spirit of a good steward, faithfully perform the following duties and submit its recommendations to the Board of Directors for discussion:

- 1.1 Select and review suitable candidates for the position of Director and submit a list of recommended candidates to the Board of Directors.
- 1.2 Formulate and review the establishment, responsibilities and operation of each committee under the Board of Directors, examine the qualifications and potential conflicts of interest of the members of each committee, evaluate the independence of independent directors, and submit reports to the Board of Directors.
- 1.3 Plan and implement director training programs.
- 1.4 Other matters decided by the Board of Directors to be handled by this Committee.

2 Professional qualifications and experience of nomination committee members and their operation

- 2.1 The Nomination Committee of the company shall consist of 3 members.

2.2 The term of office of this committee is from June 15, 2023 to June 14, 2026. The Nomination Committee met one times in the most recent year (A). The qualifications and attendance of the committee members are as follows:

Title	Name	Professional Qualifications and Experience	Count for Actual Attendance (B)	Count for Attendance by Representative	Actual Attendance Rate (%) (B/A)	Notation
Convener	Lee Jenn Yuh	Note 1	1	0	100.00%	
Member	Ding Jin Huei		1	0	100.00%	
Member	Sher Ching Yee		1	0	100.00%	Meeting to elect new directors of 2023.06.15 shareholders

I For the professional qualifications and experience of this committee member, please refer to Part 2 of this annual report on corporate governance. Information on directors, supervisors, general manager, deputy general manager, assistant manager, and heads of departments and branches.

Other Recordable Memos:

State the meeting date, period, content of the main proposals of the Nomination Committee, the content of the proposals, the content of the proposals or objections of the Nomination Committee members, the resolution of the Nomination Committee, and the company's handling of the opinions of the Nomination Committee: None.

Note :

I If a Nomination Committee member resigns before the end of the year, the date of resignation should be noted in the Remarks column. The actual attendance rate (%) will be calculated based on the number of nomination committee members and the actual number of attendances during his/her tenure.

II If there is a re-election of the Nomination Committee before the end of the year, both the new and old members of the Nomination Committee should be listed, and the remarks column should indicate whether the member is old, new or re-elected, as well as the date of re-election. The actual attendance rate (%) is calculated based on the number of nomination committee meetings held during the term of office and the number of actual attendances.

3 Date, content of motions and results of resolutions of 2024 nomination Committee Meeting, as well as the company's Treatment of the Opinions made to the nomination Committee:

Remuneration/Remuneration Committee	Contents of Motions and the Subsequent Actions taken Thereof	Results of Resolutions	How the company treats the Opinions of Remuneration & Remuneration Committee
2024.10.16	I Planned Directors' Continuing Education Course	All members of the committee agreed to pass	Not applicable

(VI) Implementation of the Sustainable Development Policy and the differences with the Code of Practice for Sustainable Development of Listed and OTC Companies and their reasons

Promotion Items	Implementation status			Difference by Comparing with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", as well as the Reasons thereof
	YES	NO	Summary	
I Has the company established a governance structure to promote sustainable development and set up a dedicated (or part-	V		The administrative department of the Taipei office is the main promotion unit of the company's sustainable development, and the heads of other mainland authorities and responsible departments work together to promote the ethical corporate management, develop sustainable environment, support for social welfare, preparation of	No significant discrepancy.

Promotion Items	Implementation status			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons thereof						
	YES	NO	Summary							
time) unit to promote sustainable development? Has the board of directors authorized senior management to handle the matter and has the board of directors provided supervision?			<p>sustainability reports, and enhancement of information disclosure.</p> <p>On August 30, 2022, the company's board of directors approved the company's greenhouse gas inventory and verification schedule; on November 11, 2022, the board of directors reported on the implementation progress and resolved to approve the schedule amendments and subsidiary schedules, which were mainly planned in accordance with the reference guidelines and relevant regulations issued by the competent authorities. The schedule arrangements of the subsidiaries were also planned in coordination with the parent company ; on March 28, 2024, May 13, 2024, August 27, 2024, November 13, 2024 and December 13, 2024, the board of directors submitted reports on the implementation status. The current implementation progress is in accordance with the plan and no director members have any opinions.</p> <p>The board of directors listens to reports from the management on a regular basis. The management must propose corporate strategies to the board of directors. The Board of Directors must judge the possibility of success of these strategies, regularly review the progress of the strategy, and urge the management to make adjustments when necessary.</p>							
II Does the company conduct risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality and establish relevant risk management policies or strategies?	V		<p>The disclosed information covers the sustainable development performance at the major presences during January 2024 to December 2024. The boundaries of the risk management are centered at the company, and the subsidiaries in China are included based on the relevance to the core business and the effects on the material topics.</p> <p>The management, based on the principle of materiality, evaluates and considers the risk sources encountered during the course of business, and by the three major issues, namely environment, social, and governance to identify the following risk items by the preventable risks, strategic risks, and external risks with their experience and professional judgment, and the countermeasures are formulated accordingly.</p> <table border="1"> <thead> <tr> <th>Material issue</th> <th>Risk item</th> <th>Countermeasures</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental disasters</td> <td> 1. Air pollution and GHG <ul style="list-style-type: none"> ● The air-conditioning system is filtered and circulated, to ensure indoor air quality. ● In restaurants, the smoke and oil purifiers are installed to treat the oil and smoke before exhausting, and meet the local regulatory requirement. 2. Energy saving <ul style="list-style-type: none"> ● Replace the lighting in the malls with LED lights gradually. ● Each store adjusts the time to turn on the air-conditioning based on the weather and the temperature </td> </tr> </tbody> </table>	Material issue	Risk item	Countermeasures	Environment	Environmental disasters	1. Air pollution and GHG <ul style="list-style-type: none"> ● The air-conditioning system is filtered and circulated, to ensure indoor air quality. ● In restaurants, the smoke and oil purifiers are installed to treat the oil and smoke before exhausting, and meet the local regulatory requirement. 2. Energy saving <ul style="list-style-type: none"> ● Replace the lighting in the malls with LED lights gradually. ● Each store adjusts the time to turn on the air-conditioning based on the weather and the temperature 	No significant discrepancy.
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Environment	Environmental disasters	1. Air pollution and GHG <ul style="list-style-type: none"> ● The air-conditioning system is filtered and circulated, to ensure indoor air quality. ● In restaurants, the smoke and oil purifiers are installed to treat the oil and smoke before exhausting, and meet the local regulatory requirement. 2. Energy saving <ul style="list-style-type: none"> ● Replace the lighting in the malls with LED lights gradually. ● Each store adjusts the time to turn on the air-conditioning based on the weather and the temperature 								

Promotion Items	Implementation status			Difference by Comparing with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons thereof
	YES	NO	Summary	
				<p>in malls, to reduce the power consumed by the air conditioners continuously.</p> <ul style="list-style-type: none"> ● Enhancing the energy save promotion, and attendance of energy-saving activities by all employees, to reduce unnecessary power consumption. <p>3. Disposal of waste</p> <ul style="list-style-type: none"> ● The garbage is categorized first; the recyclable wastes are moved away by the legal disposers, and the food residuals are placed in the closed garbage bins, to be disposed of by the environment department on the same day. ● The medical wastes including used masks and gloves are placed in the designated storage, to be retrieved by the professional contractor for harmless treatment.
			<p>Social</p> <p>Product responsibility and customer relationship management</p>	<p>1. For the proprietary brands, the suppliers are required to provide a qualified test report of products issued by third-party institutions.</p> <p>2. Refining the health management system for the kitchens in the restaurants (including food, utensils, environment, personal hygiene, and the accountability of each post); all employees are required to obtain the health certificates before onboard to ensure the health of consumers.</p> <p>3. To seek to handle the complaints of consumers timely and resolve such well.</p> <p>4. The service in the VIP lounge is provided by the dedicated staff; if necessary, the floor manager will handle jointly.</p> <p>5. In special circumstances, the compensation may be made based on the complaint fund agreed in the suppliers' agreement.</p>
			<p>Occupational safety</p>	<p>Cooperate with the pandemic containment strategies, to execute the related control mechanism:</p> <ul style="list-style-type: none"> ● Establish the pandemic prevention and containment task force, to take charge of

Promotion Items	Implementation status			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof
	YES	NO	Summary	
			<p>pandemic prevention and containment.</p> <ul style="list-style-type: none"> ● Prepare epidemic prevention materials, set up epidemic prevention slogans, and announce epidemic prevention measures. ● Maintain ventilation and disinfect the shopping mall environment. ● Measure body temperature, wear masks, separate employees for meals, and maintain a safe social distance. ● Maintain close contact with government departments and communities in a timely manner to ensure the flow of information. <p>The above controls will be adjusted flexibly to comply with government regulations.</p>	
			<p>Information security</p> <ol style="list-style-type: none"> 1. Pursuant to the procedures of managing computer and network, to set up the firewalls and anti-virus software, and update and change the password regularly, to prevent the damage from hackers or computer viruses. 2. The dual terminal backup, recovery of hard disks, and test of tape recovery are conducted regularly pursuant to the information system recovery plan. 	
			<p>Human Resource</p> <ol style="list-style-type: none"> 1. Provide stable and preferential salary and benefits, and plan a comprehensive career development. 2. Implement employee training, and strengthen communication channels to improve staff cohesion 	
		Corporate governance	<p>Strategy and operation</p> <ol style="list-style-type: none"> 1. Develop online sales models by cooperating with major e-commerce companies. 2. Develop management models and increase income from management consultancy fees, thereby improving more diverse sales channels. 3. Each store creates multiple types of shopping mall spaces by adjusting its planning, such as increasing the product mix and richness, and adding supporting catering services. 	

Promotion Items	Implementation status			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof
	YES	NO	Summary	
			<p>4. Strengthen VIP services and improve loyalty.</p> <p>5. Form alliances with internet celebrity brands, leverage social media communication and influence, and attract diverse visitors.</p> <p>6. Each store leverages its location advantage to create differentiated operations, add elements of experiential consumption and products that interact strongly with consumers, and attract in-store purchases.</p> <p>7. Create multiple promotional activities, such as exchange and discount, carry out parent-child activities, and increase family consumption.</p>	
			<p>Finance</p> <p>1. Properly control expenses and operating costs, to reduce unnecessary waste.</p> <p>2. The budget and final accounts are reviewed every month, and important financial activities are reviewed by the board of directors in accordance with relevant regulations and internal control systems.</p> <p>3. Regularly review the information on changes in laws and regulations, and implement audits of relevant cycles and compliance pursuant to the regulations, and the accountable units are reminded and recommended on time to comply with laws and regulations or the requirements of the competent authority.</p>	
			<p>Compliance</p> <p>1. Regularly review the orders and letters from the competent authorities to amend regulations, grasp updates of laws and regulations, and prescribe or amend systems and measures from time to time, to comply with actual laws and regulations.</p> <p>2. Conduct training from time to time based on business needs, to enable the employees to be familiar with the local environmental protection and labor laws and regulations of the operating bases, and</p>	

Promotion Items	Implementation status			Difference by Comparing with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", as well as the Reasons thereof
	YES	NO	Summary	
			<p>ensure that the employees conduct business legally.</p> <p>Report on risk management operations to the board of directors at least once a year; the latest report was made on December 13, 2024.</p>	
<p>III Environmental Issues</p> <p>(1) Has the company built an environmental management system which is appropriate based on the industrial characteristics thereof?</p>	V		<p>(1) The company shall secure the work environment according to the Public Building Act, Fire Services Act, Occupational Safety and Health Act, as well as the related laws and regulations in regard to energy conservation and carbon reduction.</p> <p>The company and its subsidiaries are actively promoting various energy management and energy-saving goals, including: (1) controlling the on-off schedule of the chiller unit, (2) reducing the lighting in the backstage, (3) implementing off-peak reduction control for elevators, (4) adding energy-saving measures of frequency conversion automatic deceleration device to escalator, and replacing old equipment in response to government policies, to mitigate global climate change, and to fulfill corporate social responsibility in protecting the environment.</p>	No significant discrepancy.
<p>(2) Does the company make efforts to increase the utilization efficiency of each resource, and launch the recyclable materials to reduce impact towards the environment as much as it can?</p>	V		<p>(2) LED lights are fully adopted in the Taipei office, and extinguishment of the lights have been demanded at noon. Energy-saving lights and air conditioners have been utilized in all our department stores and malls in China, and the concept of energy conservation has been further propagandized to reduce unnecessary waste of electricity consumption.</p> <p>Promote green buildings, improve building energy efficiency, and strengthen the implementation of low-carbon living to reduce electricity consumption and power generation demand.</p> <p>In addition, recycled materials with low impact on the environment are applied; meanwhile, the use of assets is properly maintained to implement the low-carbon offices; the consumables may be used repetitively with eco and energy-saving labels and energy-saving equipment are procured first; garbage classification is implemented to recycling of resources, and reducing waste production volume.</p>	No significant discrepancy.
<p>(3) Does the company assess the potential risks and opportunities towards the corporation for now and for the future incurred by climate change, as well as adopting the countermeasures thereof?</p>	V		<p>(3) The company's major climate risk mainly comes from global climate anomalies that may affect shopping mall operations, which in turn will impact revenue and increase losses; the company has insured relevant property insurance and increased online sales channels to control sudden climate risks and reduce company assets and operating losses.</p>	No significant discrepancy.

Promotion Items	Implementation status		Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof	
	YES	NO		
(4) Does the company gather the statistics in regard to the total volume of greenhouse gas emissions, water usage and waste over the past two years, as well as stipulating the management policies for energy conservation, carbon reduction, greenhouse gas reduction, or reduction of water consumption and other waste?	V		(4) The emissions of greenhouse gases as well as the volume of water consumption of the company over the past two years have both been simultaneously disclosed in the CSR Reports of First Steamship Group. Furthermore, water and energy consumption have been reduced due to the adoption of conservation devices among our department stores and malls sited in China in the recent years. We have also strengthen energy-saving publicity and on-site management, reduce unnecessary consumption. In accordance with regulatory requirements, the board of directors approved the timetable for conducting greenhouse gas inventory and verification of the company and its subsidiaries. We closely track and report on our progress quarterly, and continuously carry out internal greenhouse gas inventory verification to understand the actual emissions. Then formulate improvement measures to achieve the goal of emission reduction.	No significant discrepancy.
IV Social Issues				
(1) Does the company follow the related laws, regulations, as well as the International Bill of Human Rights, to make its management policies and procedures?	V		(1) The company has always emphasized labor safety as well as welfare and shall deal with the relevant matters in compliance with the related labor standards act. A human rights policy has been formulated and placed on the official website, declaring the elimination of human rights violations. The company has been certificated for contribution to human rights and environmental protection by numerous important customers, sufficiently demonstrating that our Company has been approved for we respect labor rights and the working environment. In 2024, a total of 32 employee care activities were held by department stores in China.	No significant discrepancy.
(2) Does the company stipulate and exercise the reasonable welfare measures for its employees (including remunerations, compensation, vacations and other welfare), as well as properly reflecting the operating performance or outcomes to the remuneration and compensation of the employees?	V		(2) The company has stipulated the employment regulations including pay and leave in accordance with the local labor standards act, providing the employees to enjoy legal welfare. Remuneration shall be offered based on an employee’s performance every year, and it is stipulated in the company’s Articles of Incorporation that if the company makes profits, no less than 1% should be allocated as employee remuneration. Department stores in China regularly hold group activities, with the goal of working in LOHAS. In 2024, a total of 12 group activities of various types have been held. The rewarding conditions of equal pay for equal work of both genders, and equal opportunities for promotion are realized. More than 20% of female manager positions are maintained to promote sustainable and inclusive economic growth. In 2024, the average proportion of female employees	No significant discrepancy.

Promotion Items	Implementation status			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof
	YES	NO	Summary	
(3) Does the company provide the safe and healthy work environments for its employees, as well as regularly implementing safety and health education towards them?	V		<p>is 56%, and the average proportion of female managers is 30%.</p> <p>(3) The Taipei Office conducts regular health checks every two years. It was not conducted in 2024, but is expected to be conducted in 2025. The participation rate in health checks in previous years was 100%. Occupational safety education and training are held from time to time. Warning signs are posted in dangerous areas. Department stores in mainland China conduct employee health checks once a year, with a 100% participation rate. Every six months, all employees participate in fire drills to strengthen customer evacuation guidance education, and actually operate fire extinguishers and other equipment to enhance employees' safety awareness. No employee occupational accidents occurred in 2024.</p>	No significant discrepancy.
(4) Does the company set up the training programs for its employees to develop their effective occupational competency?	V		<p>(4) The company has prescribed the “Training Management Policy” as the basis, for the implementation and management of personnel training at all levels. Based on the demands, the dedicated training department arrange sessions and provided regular training, and professional trainings through diversity trainings. In 2024, there were a total of 391 online and offline sessions, and each employee has received 5.07 hours of training on average.</p>	No significant discrepancy.
(5) Does the company follow the related laws, regulations and international standards to guarantee the health, safety, consumer privacy, marketing and labeling of those customers who buy the products or utilize the service from the company, as well as stipulating the related policies and appeal procedures to protect the consumer rights?	V		<p>(5) All our department stores and malls sited in China have strictly followed the related laws and the stakeholder section is set up on the company’s website, to disclose the contacts, telephone numbers and e-mail addresses for customers to inquire, file complaints or suggestions. Each business point also has a customer service center, to provide the most direct and immediate communication channels.</p>	No significant discrepancy.

Promotion Items	Implementation status			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons thereof
	YES	NO	Summary	
(6) Does the company stipulate the supplier management policies to request every supplier to obey and exercise all the related standards in regard with environmental protection, occupational safety and health, or labor rights?	V		(6) Personnel management shall be listed as one of the formal items within a contract cosigned with our suppliers, also we have always requested our suppliers to follow the local laws and regulations, as well as that all the operational approvals in regard with fire safety, public security, environmental protection, and epidemic prevention must be acquired to follow the administrative system of the company.	No significant discrepancy.
V Does the company refer to the guidelines or instructions in regard with report compilation which have been widely accepted internationally to compile the ESG reports disclosing the non-financial information of the company in the reports? Do the reports indicated in the preceding item acquire an authentication or guarantee from the third party of verification?		V	The non-financial information disclosed in the ESG Reports is calculated and summarized by the internal competent authority, and shall be represented via the index calculation methodologies which have been generally used internationally, where the information shall be reviewed and confirmed by the supervisor of each competent authority. Any confirmation or guarantee which has not yet been verified by a third party	We will obtain confirmation or guarantee opinions from third-party verification units within the timeframe specified by laws and regulations in the future
VI Please explain the difference between actual operation and regulated principles, if the company has complied with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to define its own CSR principles: The company has stipulated and implemented the Corporate Social Responsibility Best Practice Principles according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.				
VII Other Material Information Helping with Understanding CSR Operation:				
<ol style="list-style-type: none"> 1. In April 2024, Quanzhou Store and the third-floor manufacturer Xingsheng Lianhe held an event called "Exchange the Fragrance of Books for the Fragrance of Flowers, and Warmth of Greenery". On that day, 180 potted succulent plants and 270 books were successfully exchanged. Potted plants were provided to participants, and the books exchanged were sorted and given to needy students who were eager to learn, which set off a trend of public welfare and environmental protection in the community. 2. In September 2024, Yichang store and local hospitals jointly launched a charity clinic activity, where experts took pulses and answered health questions, promoting traditional Chinese medicine health-preserving methods. A total of 12 counters were set up for this event, and 28 doctors were invited to provide free medical services to 1,500 consultants. <p>In addition to the participation in the above-mentioned social welfare, the company will continue to implement the sustainable development of the enterprise in order to pursue the concept of sustainable business operation that benefits the enterprise, shareholders, and the society.</p>				

Climate-related information for listed companies

1. Implementation of climate-related information

項目	執行情形
I Describe the board's and management's oversight and governance of climate-related risks and opportunities.	Please refer to Chapter 4, Green Energy and Sustainability of the Sustainability Report for details.
II Describe how the identified climate risks and opportunities will affect the company's business, strategy and finances (short-term, medium-term and long-term).	same as above
III Describe the financial impacts of extreme climate events and transformational actions.	same as above
IV Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.	same as above
V If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	Scenario analysis related tools have not been used.
VI If there is a transformation plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.	Please refer to Chapter 4, Green Energy and Sustainability of the Sustainability Report for details.
VII If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	There is no plan to use exploratory pricing in the current year.
VIII If climate-related targets are set, the planning period for the scope of greenhouse gas emissions covered, annual progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) used should be explained.	Please refer to Chapter 4, Green Energy and Sustainability of the Sustainability Report for details.
IX Greenhouse gas inventory and confirmation status, reduction target strategy and specific action plan (fill in 1-1 and 1-2).	Greenhouse gas inventory and confirmation has not been carried out in the current year.

1-1 Greenhouse gas inventory and confirmation status of the company in the last two years

1-1-1 Greenhouse Gas Inventory Information

State the greenhouse gas emissions (tonnes CO ₂ e), intensity (tonnes CO ₂ e/million dollars) and data coverage for the most recent two years.
In accordance with the sustainable development roadmap for listed companies, Grand Ocean, in cooperation with our parent company, plans to conduct greenhouse gas inventories of individual companies and consolidated subsidiaries in 2026. The verification of individual companies and consolidated subsidiaries will be completed in 2028.
Data for 2023 covers the scope of Ocean Commercial Group's Category 2 Greenhouse gas emissions in 2023 (metric tons CO ₂ e): 64,059 Density in 2023 (metric tons CO ₂ e/million yuan): 19.80 Data for 2024 covers the scope of Ocean Commercial Group's Category 2 Greenhouse gas emissions in 2024 (metric tons CO ₂ e): 65,976 Density in 2024 (metric tons CO ₂ e/million yuan): 17.27

Note 1 : Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from the import of electricity, heat or steam) and other indirect emissions (Scope 3, i.e., emissions generated by company activities that are not energy indirect emissions but come from emission sources owned or controlled by other companies).

Note 2 : The scope of direct emissions and energy indirect emissions data shall be handled in accordance with the schedule specified in the order stipulated in Article 10, Paragraph 2 of these Regulations. Other indirect emissions information may be disclosed on a voluntary basis.

Note 3 : Greenhouse Gas Inventory Standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4 : The intensity of greenhouse gas emissions may be calculated per unit of product/service or turnover, but at least the data calculated based on turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

A statement of the assurance status for the most recent two years ending on the date of publication of the annual report, including the assurance scope, assurance organization, assurance criteria and assurance opinions.
The company only discloses Scope 2 greenhouse gas emissions, which are 64,059 metric tons CO ₂ e in 2023 and 65,976 metric tons CO ₂ e in 2024 (accounting for 100% of total emissions)
The assurance opinion is within the scope of Scope 1 and 2 reasonable assurance/Scope 3 limited assurance without assurance by an assurance body using ISAE3410/ISO 14064-3 standards.
The company expects to complete the project in 2028.

Note 1 : The company shall follow the schedule specified in the order pursuant to Article 10, Paragraph 2 of these Regulations. If the company has not obtained a complete greenhouse gas assurance opinion by the date of publication of the annual report, it shall indicate "complete assurance information will be disclosed in the sustainability report". If the company has not prepared a sustainability report, it shall indicate "complete assurance information will be disclosed at the public information observation station" and disclose the completed assurance information in the annual report of the following year.

Note 2 : The assurance institution shall comply with the relevant provisions of the perpetual report assurance institution stipulated by the Taiwan Stock Exchange Corporation and Taipei Exchange.

1-2 Greenhouse gas reduction targets, strategies and specific action plans.

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies and specific action plans, and the status of achievement of the reduction targets.
* Quantitative management indicators for greenhouse gas emissions in future years: Indicator 1 : The greenhouse gas inventory of individual companies and consolidated subsidiaries will be completed in 2026 (short term), and it will be set as the base year for individual companies and consolidated subsidiaries in 2025. Indicator 2 : Greenhouse gas verification for individual companies and consolidated subsidiaries will be completed in 2028 (mid-term). Greenhouse gas emissions are expected to decrease by 10% in 2030 (mid-term). Indicator 3 : Greenhouse gas emissions are expected to decrease by 25% in 2040 (mid-term). Greenhouse gas emissions are expected to decrease by 50% in 2050 (mid-term) and carbon neutrality will be achieved.

Note 1 : The company shall follow the schedule specified in the order pursuant to Article 10, Paragraph 2 of these Regulations.

Note 2 : The base year should be the year in which the audit is completed based on the consolidated financial report boundary. For example, according to the provisions of Article 10, Paragraph 2 of this Standard, a company with a capital of more than 10 billion yuan should complete the audit of the consolidated financial report for 2024 in 2025. Therefore, the base year is 2024. If the company has completed the audit of the consolidated financial report in advance, the earlier year may be used as the base year. The data of the base year may be calculated based on a single year or the average of several years.

Note 3 : For disclosure details, please refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.

(VII) Execution and Measures of Ethical Corporate Management of the company and difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons thereof.

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	
I Definition of Policies and Projects of Ethical Management				

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	
(I) Has the company formulated an integrity management policy approved by the Board of Directors, expressed the integrity management policy and practices in regulations or external documents and have the Board of Directors and senior management actively implemented the management policies?	V		(I) The company has established the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” both were submitted to the shareholders’ meeting for report after being approved by the board of directors, and disclosed on MOPS and the company’s website. It is specified that directors, managerial officers, employees, appointees and persons with substantial control shall observe the principles of ethical management, and not engage in unethical conduct. Except for announcing the board and the executives actively implement the commitments of ethical corporate management, implementation is also made in internal management and business activities.	No significant discrepancy.
(II) Has the company established a dishonesty risk assessment mechanism, regularly analyzed and evaluated business activities with a high risk of dishonesty and formulated a plan to prevent dishonesty that at least covers the preventive measures provided by Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(II) In the company’s “Ethical Corporate Management Best Practice Principles,” it is clearly specified the “prevention programs, scope, and measures,” and the “Procedures for Ethical Management and Guidelines for Conduct” is established accordingly. Accepting or offering bribes; providing illegal political donations; improper charity donations or sponsors; accepting or offering unreasonable gifts, payments or other illegitimate benefits; infringing trade secrets, trademarks, patents, copyrights and other intellectual property rights; engaging in unfair competition; products and services directly and indirectly harm the interest, health and safety of consumers or other stakeholders during developing, purchasing, manufacturing, offering or selling, are prohibited. Meanwhile, through trainings, the ethical corporate	No significant discrepancy.

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	
(III) Has the company expressly formulated the operating procedure, behavior guideline, as well as disciplinary penalty and grievance system plans; implemented them accordingly to prevent dishonest behavior; and reviewed and revised them on a regular basis?	V		<p>management policies are promoted, and link the policies with employee performance appraisal and human resources policy, to establish a clear and effective reward and punishment system.</p> <p>(III) Under “Preventive Programs, Scope and Measures” of the “Ethical Corporate Management Best Practice Principles,” any matters included in each clause of Paragraph 2 in Article 7, or any operating activity with the higher risks due to unethical and prohibited conduct shall be precisely referred to under the relevant regulations. Also, the “whistleblowing system” is in place, and the reporting channels are disclosed at the official website. Regularly review and amend the preventive programs pursuant to the external competent authority and internal policies, as well as the working demands.</p>	No significant discrepancy.
II Practice of Ethical Management				
(I) Does the company evaluate the ethic records of its counterparty, and explicitly stipulate the articles concerning ethical behaviors in the contract cosigned with the counterparty?	V		(I) The company evaluates the ethical status and requests the business licenses as well as trademark authorization of each contractor in cooperation prior to establishing the business collaboration with one. Also, concerning ethical clauses, they shall be precisely defined in the business contracts and the company shall avoid any transaction as much as possible with those ones who have unethical records.	No significant discrepancy.
(II) Has the company established a full (part) time unit under the board of directors to promote corporate integrity management and regularly (at least once a year) reported the dishonesty prevention integrity management policies and plans to the board	V		(II) The company has designated the Administration Department in the Shanghai Headquarter as the dedicated unit. This proprietary business scope belongs to the board of directors, which is responsible for the amendment, implementation, interpretation, consulting services, and reporting of content registration and filing of	No significant discrepancy

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	
of directors in order to supervise their implementation status?			<p>“Procedures for Ethical Management and Guidelines for Conduct” as well as supervision and implementations. The promotion and implementation results of the ethical corporate management policy and the programs preventing unethical conduct are reported to the board of directors annually.</p>	
(III) Does the company make the policies to prevent a conflict of interest, provide an adequate channel for appeals, and perform them exactly?	V		<p>(III) Pursuant to the requirement of recusal in case of conflict of interest in the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct,” where any employee of the company finds any conflicts of interest when conducting business, or any circumstances from which himself/herself, his/her spouse, parents, children or other related stakeholders can acquire improper benefits when dealing with the corporate affairs, should report the matters to both the line supervisors and the CDU, as the line supervisors shall provide appropriate guidance.</p> <p>Where directors, managerial officers, and other stakeholders who attend/participate in board meetings, or the entities they represent have interests in the proposals listed in the meeting, that may be harmful to the interests of the company, they shall recuse themselves from discussion and voting.</p>	No significant discrepancy
(IV) Has the company established an effective accounting system and internal control system to implement integrity management, formulated the relevant audit plans based on the dishonesty risk evaluation results of the internal audit unit, and inspected or commissioned a CPA to inspect and ensure compliance with the	V		<p>(IV) The management of the company has established an effective accounting system and internal control system. The internal auditors schedule and execute audit plans based on the level of risk, and report the implementation of the audit plan to the board of directors periodically.</p>	No significant discrepancy.

Evaluation Item	Operation			Difference by Comparing with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons thereof.
	YES	NO	Summary	
<p>dishonesty prevention plans?</p> <p>(V) Does the company regularly host the internal/external education programs of the ethical management?</p>	V		<p>(V) The company arranges all the related courses regarding enterprise ethics as well as job specifications in the educational programs and training for a new employee, and launches the propaganda of resolutions in ethical business for the Directors and managers during the periodic management meetings. Additionally, managers of each department shall also promote the importance of ethical business through internal routine meetings or in-service trainings.</p>	No significant discrepancy.
<p>III Operation of Whistleblower System of the company</p> <p>(I) Does the company specifically found a system of whistleblowing and reward, build a fast channel for whistleblowing, and designate an adequate personnel specially to handle with the accused objects?</p>	V		<p>(I) To establish a corporate culture of integrity and transparency, promote sound management, and protect the rights of whistleblowers, the Board of Directors of this company has adopted a "whistleblower system" and established and announced a reporting email address or mailing address on the company website, providing internal and external personnel with the opportunity to report and handle crimes, fraud, or illegal activities. The head of internal audit of this company is the unit responsible for receiving reports, and the project leader or investigation team designated by the general manager is the unit responsible for investigating reports. The reporting channel information is as follows: (1) Reporting mailbox: 14th Floor, No. 237, Section 2, Fuxing South Road, Da'an District, Taipei City. (2) Email: gorgaudit@outlook.com (3) Unit responsible for receiving reports: The head of internal audit of this company.</p>	No significant discrepancy.
<p>(II) Has the company established standard operating procedures</p>	V		<p>(II) 1. The Company has established the principles for</p>	No significant discrepancy.

Evaluation Item	Operation			Difference by Comparing with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons thereof.
	YES	NO	Summary	
for accepting complaint reports, and adopted the follow-up measures and related confidentiality mechanisms after the investigation is completed?			<p>accepting reports, investigation procedures, follow-up measures for investigation reports, and protection of reporters in its "Reporting System".</p> <p>2. Acceptance Principles:</p> <p>(1) After receiving a report, the responsible personnel shall immediately file a case.</p> <p>(2) After accepting a report, the responsible personnel shall first determine whether the case meets all of the following investigation requirements:</p> <p>A. The reporter's name, ID number, and contact information;</p> <p>B. The name of the person being reported or other characteristics or information sufficient to identify the person being reported;</p> <p>C. The specific reasons for the report and the evidence available for investigation.</p> <p>(3) Anonymous or pseudonymous reports will not be accepted. However, if the content of the report or the evidence provided is deemed necessary for investigation, anonymous reports will be accepted and handled.</p> <p>(4) Reports that lack any of the investigation requirements in paragraph (2) or do not meet the conditions described in paragraph (3) will not be investigated. The case will be closed after the responsible person explains the case to the reporter. The relevant written materials will be filed in accordance with regulations after noting the reasons and reported to the general manager every quarter.</p> <p>3. Investigation Procedures</p> <p>(1) The project leader or investigation team shall conduct a detailed and prudent investigation of the report case and the circumstances involved.</p> <p>(2) During the investigation, if necessary, the reporter may be asked to explain and provide relevant information, and other relevant departments or</p>	

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	
			<p>external experts may be asked to provide assistance.</p> <p>(3) If the report case involves an employee, it shall be reported to the employee's superior and the general manager, who shall designate a project leader or form an investigation team to conduct the investigation.</p> <p>(4) If the report case involves a director or manager, it shall be reported to the independent director, and the company shall cooperate with the investigation.</p> <p>4. Confidentiality Mechanism</p> <p>(1) Except for the purpose of complying with laws or cooperating with public authorities' investigations, or for information that is publicly known, the responsible personnel shall strictly keep confidential the information related to the reported case, including but not limited to the identity of the reporter, the reason for the report, and the investigation procedures. If any violation occurs, the responsible personnel shall be punished and held accountable in accordance with the regulations.</p> <p>(2) The responsible personnel shall be responsible for recording the relevant information of the report case from the acceptance, filing, investigation and reporting process, including original documents, written documents, audio files and other complete information.</p> <p>(3) After the project leader or the investigation team completes the organization of the above-mentioned files, they shall hand them over to the file storage personnel for archiving and safekeeping. All files shall be classified as confidential, encrypted, and appropriately restricted in access rights. They shall be kept for five years. They may be kept in electronic form. If a lawsuit related to the reported case occurs before the</p>	

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	
(III) Does the company take any measure protecting a whistleblower from being improperly treated due to the whistleblowing?	V		expiration of the preservation period, the files shall be kept until the lawsuit is concluded. (III) The company has established a whistleblower system, applicable to all of its subsidiaries. This system protects whistleblowers and ensures that no one will be mistreated for reporting. No unit or employee may in any way obstruct or hinder whistleblowers from reporting or obstruct investigations. Nor may they retaliate against whistleblowers or designated personnel. Violations will be punished and held accountable in accordance with regulations. In fiscal year 2024, the company received a total of 0 reports.	No significant discrepancy.
IV Reinforcement of Information Disclosure Does the company disclose the information concerning the contents and efforts of ethical management on its official website as well as on the Market Observation Post System?	V		The company has disclosed the provisions of “Ethical Corporate Management Best Practice Principles” on the corporate website and MOPS, and all the efforts as well as outcomes shall be also disclosed subsequently depending on the execution progress.	No significant discrepancy.

V Please explain the difference between the actual operations and “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” if the company complies with it to make one: None.

VI Other material information that helps with an understanding of the ethical management and operations of the company (for example, review or amendment to the ethical principles for business of the company).

In order to continuously enhance the internal ethics norms of the company to establish an ethical corporate management environment, while actively implementing the corporate governance responsibilities, the company prescribed the “Ethical Corporate Management Best Practice Principles” in 2011, to regulate the company’s directors, managerial officers, employees, subsidiaries, and group companies or organizations with substantial control, requiring that before conducting any business relationship, the company shall consider the ethical status of suppliers or other counterparties, and avoid transactions with those involved in ethical conducts; when signing contracts with others, it should include the terms specifying the compliance with the ethical corporate management policy, and the company may terminate or rescind the contract at any time if the counterparty involving in unethical conduct.

To respond to the development of relevant international and domestic regulations regarding ethical corporate management, the company added the “Procedures for Ethical Management and Guidelines for Conduct” in 2020, which covers anti-corruption, anti-bribery, anti-trust, prohibition of illegal political donations, prohibition of improper charitable donations or sponsorships, prohibition of insider trading, and other preventive programs; disciplinary codes are prescribed regarding recusal for conflict of interest, intellectual property rights, and fair competition, to enable the implementation and compliance of all employees.

In 2020, the “Code of Ethical Conduct” was established to regulate the ethical standards of conduct for directors and managerial officers, and some provisions were amended in 2021 pursuant to laws and regulations.

The company's "Rules of Procedure for Board Meetings" stipulates a system for directors to avoid conflicts of interest. Directors shall avoid discussing and voting on proposals listed by the Board of Directors if they or the legal person they represent have a conflict of interest.

Evaluation Item	Operation			Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof.
	YES	NO	Summary	

“Rules of Procedure for Board of Directors Meetings” of the company defines the system of interest avoidance of the Directors. Any bill listed in the Board should be taken the stakes of itself or the juridical person represented by itself into consideration, and avoidance should be implemented when discussing and resolving.

(VIII) Other material information helping with understanding corporate governance operation:

The company has established” Corporate Governance Best Practice Principles”,” Procedural Rules of General Meeting of Members”,” Rules of Board Meeting”,” Principles for Election of Directors”,” Rules Governing the Scope of Powers of Independent Directors”,” Code of Ethical Conduct”,” Audit Committee Charter”,” Ethical Corporate Management Best Practice Principles”,” Remuneration Committee Charter”,” Sustainable Development Code of Practice”,” Self-Evaluation or Peer Evaluation of the Board of Directors”,” Procedures for Ethical Management and Guidelines for Conduct”, and the aforesaid regulations related to the corporate governance are disclosed in MOPS and the official website, for the review of the company’s related parties.

(IX) Execution of Internal Control System
1 Statement of Internal Control System



GRAND OCEAN RETAIL GROUP LIMITED
Statement of Internal Control System

Date: Mar 28, 2025

Statement is made here for internal control system for the year 2024 of the company, according to the conclusions of self-evaluation:

- I The company is well aware of that establishment, execution as well as maintenance of the internal control system are the responsibilities of the Board and managers thereof. The company has built the system. Where its purpose is to approach the targets concerning outcomes and efficiency of the operation (containing profit, performance, and assets protection safety), reliability, immediacy and transparency of the reports, as well as obedience to the related standards, laws and regulations, providing the reasonable protection.
- II Internal control system has its own congenital limitation. No matter how flawless the design is, an effective internal control system can only provide the reasonable protection to the three targets described as above. Moreover, efficiency of the internal control system may change anytime due to the variation of environments or circumstances. Whereas the company has built a self-supervision mechanism within the internal control system, and the countermeasure will be engaged immediately if there is any defect found.
- III The company complies with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter “RICS”) to stipulate the assessment contents for effectiveness of an internal control system, and to evaluate if the design and implementation of internal control system are effective. Evaluation on an internal control system by this “RICS” divide the system into five elements in accordance with the diversity of management control process: 1. Control Environment; 2. Risk Assessment; 3. Control Operation; 4. Information and Communication and 5. Supervision. Each element is to be further subdivided into several items. Please refer to the relational regulations in “RICS”.
- IV The company has adopted the assessment items for internal control system described as above to evaluate the effectiveness of design as well as implementation of a system.
- V Based on the conclusions of evaluation described as above, the company recognizes that as of Dec 31, 2024, design and implementation of the internal control system (containing the supervision and management to the subsidiaries), including comprehension of the operating outcomes and targets approach of the efficiency, also reliability, immediacy and transparency of the reports, as well as obedience to the related standards, laws and regulations, are effective, being capable of reasonably ensuring the achievement of the targets as above.
- VI This statement is to be the one of major contents in the Annual Report as well as Prospectus of the company, and is to be disclosed openly. Should there be any illegal fact regarding falsity or misprision in the open contents described as above, it shall be involved with the legal liabilities concerning Article 20, 32, 171 and 174 of the Securities Exchange Act.
- VII This statement had been ratified through the Board Meeting on Mar 28, 2025, where no one had objection to it among seven attendees of the Directors; all the attendees in the Board Meeting had the contents of this statement ratified; the statement is made here thereupon.

GRAND OCEAN RETAIL GROUP LIMITED

Chairman Signature: Kuo Jen Hao



General Manager Signature: Ng Qing Hai



2 Audit Reports on the internal control system via the special project by CPA: None.

(X) Material Resolutions of Shareholders Meeting and Board Meeting Last Fiscal Year, and as of the Date of Publication of Annual Report

1 Important resolutions of the board of directors:

	Date	Topic Discussions
Board of Directors	2024.03.15	<ol style="list-style-type: none"> 1. 2023 KPMG audit fee. 2. Revision of internal regulations related to corporate governance and internal control. 3. Nanjing Grand Ocean's rent adjustment and settlement case. 4. Case concerning impairment of the company's own property assets and trademark rights. 5. Self-consolidated financial statements for 2023.
Board of Directors	2024.03.28	<ol style="list-style-type: none"> 1. Assessment on the competency and independence of the CPA. 2. Annual Business Report and Consolidated Financial Statements 2023. 3. Statement of Internal Control System 2023 of the company. 4. Audit Committee Audit Report for 2023 5. Remuneration Distribution to Employees and Directors for 2023. 6. Loss Recovery Statement for 2023. 7. Accumulated losses reach one-half of its paid-in capital 8. Time, location, reasons for convening, method of convening the 2024 Annual General Meeting of Shareholders and related matters during the period of suspension of stock transfer. 9. Matters related to the acceptance of shareholder proposals at the 2024 Annual General Meeting 10. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 11. Consolidated financial statements for the second quarter of 2023.
Board of Directors	2024.04.30	<ol style="list-style-type: none"> 1. Renewal of the lease agreement for the Shanghai headquarters office of the Group. 2. Time, location, reasons for convening, method of convening the 2024 Annual General Meeting of Shareholders and related matters during the period of suspension of stock transfer. 3. Lifting the non-competition restriction on directors.
Board of Directors	2024.05.13	<ol style="list-style-type: none"> 1. Additional explanations on the revision of internal regulations related to corporate governance and internal control.

	Date	Topic Discussions
		<ol style="list-style-type: none"> 2. Consolidated financial statements for the first quarter of 2024. 3. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 4. Plans to apply for a loan amount of US\$10 million from Grand Citi Limited, a 100%-invested subsidiary.
Board of Directors	2024.06.28	<ol style="list-style-type: none"> 1. Regarding the loan of USD 10 million from the 100% invested subsidiary, Grand Ocean Classic Commercial Group Co., Ltd. 2. The company intends to apply to First Steamship S.A. for a loan amount of USD 9 million.
Board of Directors	2024.08.12	<ol style="list-style-type: none"> 1. The company intends to apply to First Steamship S.A. for a loan amount of USD 10 million.
Board of Directors	2024.08.27	<ol style="list-style-type: none"> 1. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 2. Consolidated financial statements for the second quarter of 2024. 3. Plan to renew the lease of the business property of Wuhan Grand Ocean Classic Commercial Development Co., Ltd. from Wuhan Holding Company Limited, a project company of Intime Group.
Board of Directors	2024.10.16	<ol style="list-style-type: none"> 1. Regarding the loan of USD 11 million from the 100% invested subsidiary Grand Ocean Classic Commercial Group Co., Ltd. to the company. 2. 2024 KPMG audit fee. 3. Plan to organize further education courses for directors.
Board of Directors	2024.11.13	<ol style="list-style-type: none"> 1. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 2. Consolidated financial statements for the third quarter of 2024. 3. In response to the decline in physical retail consumption in China after the COVID-19 pandemic, the company plans to adjust its two equity incentive plans.
Board of Directors	2024.12.13	<ol style="list-style-type: none"> 1. Financial budget of Grand Ocean Retail Group Limited for 2025. 2. To formulate general principles for the company's policy on pre-approval of non-confidential services. 3. Propose to formulate other internal control systems of the company - sustainable information management operations.

	Date	Topic Discussions
		<ol style="list-style-type: none"> 4. Propose to revise the company's internal audit system and implementation rules. 5. 2025 audit plane of Grand Ocean Retail Group Limited °
Board of Directors	2025.03.14	<ol style="list-style-type: none"> 1. Assessment and appointment of the independence and competence of the CPA. 2. Self-consolidated financial statements for 2024. 3. Time, location, reasons for convening, method of convening the 2025 Annual General Meeting of Shareholders and related matters during the period when stock transfer is suspended. 4. Matters related to shareholders' proposals will be accepted at the 2025 Annual General Meeting of Shareholders. 5. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 6. Case on lifting the non-competition restriction on directors.
Board of Directors	2025.03.28	<ol style="list-style-type: none"> 1. Annual Business Report and Consolidated Financial Statements 2024. 2. Statement of Internal Control System 2024 of the company. 3. 2024 audit Committee Audit Reports. 4. Remuneration Distribution to Employees and Directors 2024. 5. 2024 Loss Recovery Statement. 6. Amend some articles of the company's Articles of Association. 7. Intends to invest in establishing a subsidiary in China. 8. Check whether the amounts under the company's accounts receivable, other receivables, pre-payments, deposit margins or other items are considered as capital loans according to the "Q&A for Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." 9. Lifting the non-competition restriction on directors.

2 Contents and implementation of important resolutions of the 2024 General Meeting of Shareholders:

	Date	Topic Discussions
General Meeting of Shareholders	2024.06.17	<ol style="list-style-type: none"> 1. Approval of the 2023 business report and consolidated financial statements. Implementation status: Resolution passed. 2. Approve the loss compensation proposal for 2023. Implementation status: Resolution passed. 3. Approved to revise some of the provisions of the company's "Endorsement Guarantee Operating Procedures". Implementation status: Resolution passed. 4. Lifting the non-competition restriction on directors. Implementation status: Resolution passed.

- (XI) Last fiscal year, and as of the date of publication of Annual Report, main contents of a different opinion on any material resolution ratified through the Board Meeting, which are recorded or proclaimed in writing by a Director or Supervisor: None.

IV Information on Professional Fees of Accountant

The 2024 non-audit fees paid by the company occupies 5% of the audit fees, of which the service content is as follows:

Name of Accounting Firm	Name of Accountant	Term of Audit	Audit Fees	Non-audit Fees	Total	Notation
KPMG	Chang Shu-Ying Pan Jun Ming	2024/01/01 ~ 2024/12/31	19,247	1,105	20,352	Non-audit public fee services: for business transformation and industrial and commercial registration and other

Non audit fee service content: Non audit fee refers to industrial and commercial registration and others.

- (I) Audit fees paid to the accounting firm in the year of replacement where they are lower than the audit fees last fiscal year: None.
- (II) Where audit fees reduce 10% at least compared with the fees of last fiscal year: None.
- (III) Evaluation of the Auditor's Independence: according to the company's "Principles for Evaluation of Auditors' Independence", the company evaluates the independence and suitability of its external auditors annually, the content of evaluation includes (I) Basic Information, (II) Content of Evaluation, (III) Performance Description, and (IV) Evaluation Results. Among the above, Content of Evaluation adopts the following 15 criteria in accordance with Article 74 of the Certified Public Accountant Act, and Bulletin No.10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China.

Items	Evaluation Result
1. Up to the latest certification practice, there's no such circumstance with working for the company for seven years	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. No major financial interested relationship with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Avoiding any improper relationship with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. The accountant should supervise their assistants to strictly comply with honesty, justice and independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. The accountant is prohibited from auditing certification for the company's financial report where he/she has served in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. The accountant's identification is forbidden to be infringed by	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. The accountant does not hold any shares in the company or	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. The accountant does not owe any debt to the company or its	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

9. The accountant is not in any joint investment or benefit-sharing relationship with the company or its subsidiaries.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. The accountant is not employed and paid regularly by the company or its subsidiaries.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. The accountant does not interfere with any management function towards decision-making in the company or its subsidiaries.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12. The accountant does not run any business which will probably deprive him/her of audit independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13. The accountant is not related to any of the company's management personnel in the following relations: Spouse, blood-related relatives, direct relatives by affinity, second-degree of blood-related relatives, collateral blood-related	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. The accountant does not receive any commission which is	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
15. Up to now, the accountant hasn't been punished for violating any audit independence principle.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Board of Directors evaluation date: March 14, 2025

V Information on Accountant Change:None.

VI The company's Chairman, GM, managers of financial or accounting affairs, who has ever worked in the accountant's affiliated firm or its affiliates in the past year: None

VII Last fiscal year, and as of the date of publication of Annual Report, Directors, Supervisors, managers and shareholders whose equity transfer and shareholding pledge changes with a shareholding ratio of more than 10%

(I) Changes in Shareholdings of Directors, Supervisors, Managers and Major Shareholders

Unit: share

Title	Name	Year 2024		as of May 1 of Current Year	
		Number of Increase (Decrease) of Held Shares	Number of Increase (Decrease) of Pledged Shares	Number of Increase (Decrease) of Held Shares	Number of Increase (Decrease) of Pledged Shares
Chairman of the Board	Kuo Jen Hao	—	—	—	—
Chairman as well as GM	First Steamship Co., Ltd.	—	—	—	—
	Representative: Ng Qing Hai	—	—	—	—
Director of the Board	First Steamship S.A	—	—	—	—
	Representative: Zhang Jin Guo	—	—	—	—
Director of the Board	Lee Seng Chay	—	—	—	—
Independent Director (Note1)	Ding Jin Huei	—	—	—	—
Independent Director (Note1)	Sher Ching Yee	—	—	—	—

Title	Name	Year 2024		as of May 1 of Current Year	
		Number of Increase (Decrease) of Held Shares	Number of Increase (Decrease) of Pledged Shares	Number of Increase (Decrease) of Held Shares	Number of Increase (Decrease) of Pledged Shares
Independent Director (Note 1)	Lee Jenn Yuh	—	—	—	—
CFO	Yau Dennis Wai Tak	—	—	—	—
Accounting Supervisor	Li Chao	—	—	—	—
Shareholder who has at least 10% Shareholding	First Steamship S.A	—	—	—	—

(II) Information on related party as a counterparty of equity transfer: None.

(III) Information on related party as a counterparty of equity pledge: None.

VIII Information on Interrelations between Each Shareholder whose Shareholding Ratio is Ranked as One of the Top Ten

Apr 14, 2025; unit: share; %

Name	Self-owned Shares		Number of Shares of Spouse and Minor Children		Number of Shares in Name of Others		The top ten shareholders have the titles or names and relationships complying with the definition of spouse or second-degree relative in FASB6.		Notation
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title (or Name)	Relation	
Mega International Commercial Bank Co., Ltd. Acting as Custodian for the Investment Account of FIRST STEAMSHIP S.A. Principal : Kuo Jen Hao	91,560,000	46.83%	—	—	—	—	First Steamship Company Ltd Ahead Capital Limited	Parent company	—
	—	—	—	—	—	—	—	—	—
First Steamship Company Ltd Principal : Kuo Jen Hao	19,552,000	9.99%	—	—	—	—	First Steamship S.A.	Parent company	—
	—	—	—	—	—	—	—	—	—
AHEAD CAPITAL LIMITED Principal : Kuo Jen Hao	3,500,000	1.79%	—	—	—	—	First Steamship S.A.	Parent company	—
	—	—	—	—	—	—	—	—	—
CTBC Bank Employee Stock Ownership Trust Account of Grand Ocean Retail Group Limited	2,915,000	1.49%	—	—	—	—	—	Staff	Employee Stock Ownership Trust
Liu Hung Jun	2,315,000	1.18%	—	—	—	—	—	—	—
Citibank Berkeley Capital SBL/PB Investment Account	1,898,000	0.97%	—	—	—	—	—	—	—
Xu Yong ming	1,668,000	0.85%	—	—	—	—	—	—	—
AmTrust Investment Consulting Corp. Principal : Lin Xin Yi	1,500,000	0.77%	—	—	—	—	—	—	—
Huang Shih Chieh	1,300,000	0.66%	—	—	—	—	—	—	—
Qiu Hong sen	1,030,000	0.53%	—	—	—	—	—	—	—

IX The number of shares held by the company, the company's Directors, Managers and the company directly or indirectly controlled by the same reinvestment business, and combined to calculate the comprehensive shareholding ratio

unit: share ; %

Reinvested Business (Note)	Investment of the company		Investment Controlled Directly or Indirectly by Directors or Managers		Comprehensive Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Grand Citi Limited	1,040,000,000	100.00	—	—	1,040,000,000	100.00
Sandmartin International Holding Limited	44,197,255	3.59	473,869,283	38.52	518,066,538	42.11
Grand Ocean Classic Commercial Group Co., Ltd (Grand Ocean Department Store Group Limited)	Note1	100.00	—	—	Note1	100.00
Nanjing Grand Ocean Classic Commerce Limited (Nanjing Grand Ocean Department Store Limited)	Note1	100.00	—	—	Note1	100.00

Reinvested Business (Note)	Investment of the company		Investment Controlled Directly or Indirectly by Directors or Managers		Comprehensive Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Fuzhou Grand Ocean Commerce Limited (Fuzhou Zhongcheng Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Quanzhou Grand Ocean Commerce Limited (Quanzhou Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Wuhan Grand Ocean Classic Commercial Development Limited (Wuhan Zhongshan Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Whhan Optics Valley Grand Ocean Commercial Development Limited (Wuhan Optics Valley Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Wuhan Hanyang Grand Ocean Classic Commercial Limited (Wuhan Longyang Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Fuzhou Grand Ocean Classic Commerce Limited (Fuzhou Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Chongqing Optics Valley Grand Ocean Commercial Development Limited (Chongqing Optics Valley Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Hengyang Grand Ocean Commercial Development Limited (Hengyang Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Yichang Grand Ocean Commerce Limited (Yichang Grand Ocean Department Store Limited)	Note 1	100.00	—	—	Note 1	100.00
Hefei Grand Ocean Classic Commercial Development Limited (Nanjing Grand Ocean Department Store Hefei Limited)	Note 1	100.00	—	—	Note 1	100.00
Shiyang Optics Valley Grand Ocean Commercial Limited (Shiyang Grand Ocean Modern Shopping Limited)	Note 1	100.00	—	—	Note 1	100.00
Shanghai Jingxuan Business Administration Limited	Note 1	100.00	—	—	Note 1	100.00
Fuzhou Jiaruixing Business Administration Limited	Note 1	100.00	—	—	Note 1	100.00
Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd	Note 1	100.00	—	—	Note 1	100.00

Note 1: Where it is a company limited without stock issuance, hence there are no stocks.

Four.Financing Situation

I Capital and Shares

(I) Sources of Share Capital

1. Formation of Share Capital

Currency: NTD (thousand) ; Thousand ; unit: share (thousand)

Year Month	Issuance Price	Authorized Share Capital		Paid-in Share Capital		Notation		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Share Offset by Proceeds besides Cash	Others
2012.06	NTD 10/share	500,000	5,000,000	202,000	2,020,000	Capital Increase by Cash	None	May 9, 2012 FSC Letter FA No.1010018503
2015.12	NTD 10/share	500,000	5,000,000	201,000	2,010,000	Capital Reduction by Treasury Stock	None	None
2016.03	NTD 10/share	500,000	5,000,000	199,499	1,994,990	Capital Reduction by Treasury Stock	None	None
2018.01	NTD 10/share	500,000	5,000,000	197,469	1,974,690	Capital Reduction by Treasury Stock	None	None
2019.03	NTD 10/share	500,000	5,000,000	195,531	1,955,310	Capital Reduction by Treasury Stock	None	None

2. Share Classifications Which Have Been Issued

unit: thousand shares

Shares Classific ation	Authorized Share Capital			Notation
	Outstanding Shares	Un-issued Shares	Total	
Common Stock	195,531	304,469	500,000	Listed and outstanding shares

3. Information related to the general declaration system: None.

(II) List of Major Shareholder

The list of shareholders with a shareholding ratio of more than 5% or the top ten shareholders is as follows:

Apr 14, 2025 ; shares

Name of major shareholder	Shares in Hand	Shareholding Ratio
Mega International Commercial Bank Co., Ltd. Acting as Custodian for the Investment Account of FIRST STEAMSHIP S.A.	91,560,000	46.83%
First Steamship Company Ltd	19,552,000	9.99%
AHEAD CAPITAL LIMITED	3,500,000	1.79%
CTBC Bank Employee Stock Ownership Trust Account of Grand Ocean Retail Group Limited	2,915,000	1.49%
Liu Hung Jun	2,315,000	1.18%
Citibank Berkeley Capital SBL/PB Investment Account	1,898,000	0.97%
Xu Yong ming	1,668,000	0.85%

Name of major shareholder	Shares in Hand	Shareholding Ratio
AmTrust Investment Consulting Corp.	1,500,000	0.77%
Huang Shih Chieh	1,300,000	0.66%
Qiu Hong sen	1,030,000	0.53%

(III) Dividend Policies and Execution of the company

1 Dividend Policies Defined in the Articles of the company:

According to the provisions of the company's Articles, in addition to the applicable laws and regulations otherwise, if the company has profit before taxes in the year, the company should make an attribution from the profit before taxes: (1) No less than 1% of employees' remuneration (including employees of the company and/or affiliate employees) (hereinafter referred to as "ER"); and (2) No more than 3% for Directors' remuneration. However, if the company still has cumulative losses, it will be reserved as a compensation in advance. The employee remuneration in the preceding paragraph can be obtained by stock or cash; the directors' remuneration is only available in cash.

In accordance with the laws and regulations of British Cayman Island and applicable laws and regulations, the first two items shall be adopted by resolution of a board meeting with more than two-thirds of the directors present, and approved by more than half of the directors present. They shall be reported to the shareholders at the shareholders' meeting after the resolution of the board meeting.

Except as otherwise provided in the applicable Acts and Article 47 of the Articles of Corporation of the company, if the company's annual total final accounts have earnings (after the pre-tax profit is paid according to the preceding paragraph), the Board shall formulate the Earnings Distribution in the following manner and in the following order. Submitted to the shareholders meeting by ordinary resolution:

- (1) The tax payable in accordance with the law;
- (2) Compensate for the accumulated losses of previous years (if any);
- (3) 10% of the legal reserve is required by the applicable law, but exception is made if the legal reserve has reached the company's paid-in capital;
- (4) Applicable by law or by the competent authority to provide special earnings reserve; and
- (5) According to the amount of the current year's earnings after deducting the above items (1) to (4), the accumulated undistributed earnings in the previous period are the available earnings. The available earnings can be distributed through the Board Meeting and then submitted to the Shareholders General Meeting. Applicable decrees are assigned after ordinary resolutions.

The company's dividend policy shall take into account the current and future industrial prosperity, the demand for funds, and the financial structure. With regard to the distributable surplus, other than the portion reserved at the discretion of the board meeting after considering the financial needs and circumstances of the company, the remaining distributable surplus may be distributed in the form of stock or cash dividend, and the cash dividend shall not be less than 10% of the total dividend.

2 Current Dividends Distribution Resolved:

On the compensation of the company's 2024 loss, the board meeting on March 28, 2025 decided to make up the loss with unappropriated retained earnings, and will be submitted to the Shareholders General Meeting for further approval.

3 Descriptions for Expected Material Variation: None.

(IV) Influence upon Operational Performance and Earnings per Share by Draft on Shares Allotment for Free of Current Year

The company's 2024 Loss Recovery Statement approved by the Board on March 28, 2025, does not distribute stock dividends, so this item is not applicable.

(V) Remunerations for Employees and Directors

1 Proportion or Range of Remunerations for Employees and Directors Defined in Articles of Incorporation:

According to the provisions of the company's Articles, in addition to the applicable laws and regulations otherwise, if the company has profit before taxes in the year, the company should make an attribution from the profit before taxes: (1) No less than 1% of employees' remuneration (including employees of the company and/or affiliate employees) (hereinafter referred to as "ER"); and (2) No more than 3% for Directors' remuneration. However, if the company still has cumulative losses, it will be reserved as a compensation in advance. The employee remuneration in the preceding paragraph can be obtained by stock or cash; the directors' remuneration is only available in cash.

2 In the current period, the company estimates the basis of the remuneration for the employees and Directors, the calculation basis for the number of shares remunerated by the stocks, and the accounting for the difference between the actual distribution amount and the estimated number of shares:

2.1 For the proportion or scope of remuneration for employees and Directors as defined in the Articles of Incorporation of the company, please refer (VIII).1.

2.2 In the current period, estimate of the basis of the remuneration for the employees and Directors, the calculation basis for the number of shares remunerated by the stocks, and the accounting for the difference between the actual distribution amount and the estimated number of shares.

2.2.1 After the end of the year, if there is a significant change in the amount of the resolution ratified through the Board Meeting, then the change is adjusted to the original accounted annual fee. At the date of the resolution of the Shareholders Meeting, if the amount still changes, it shall be treated according to the accounting estimates and adjusted in the resolution of the Shareholders Meeting.

2.2.2 If the Shareholders Meeting decides on the method of employee bonus distribution, the share number of stock bonus is determined by dividing the amount of dividends by the stock market value. The stock market value refers to the closing price of the day before the resolution of the Shareholders Meeting (after considering the impact on the equity of ex-dividend), whereas prior to the listing of the company, it is based on the net value of the latest financial report audited by an accountant.

3 Ratification on Remuneration Distribution through the Board

3.1 The Board of the company passed a resolution on Mar 28 2025 that the proposed staff is entitled to remunerate NT\$0 and the Directors remunerate NT\$0.

3.2 The amount of employee remuneration via stock distribution and its proportion in the total amount of after-tax net profit and employee remuneration in the current entity or individual financial report: Not applicable.

4 In the previous year, the actual distribution of employees and directors' compensation shall be different from the recognition of employees and directors' compensation. The number of differences, reasons and treatment shall be stated:

The company's 2024 financial statements recognize that employee bonuses and Directors' remuneration are NT\$0 and NTD\$0, respectively. The employee bonus and Director's remuneration allotted by the Shareholders Meeting are NT\$0 and NTD\$0, and there is no difference.

(VI) Shares Repurchase of the company: None

- II Corporate Bonds (including oversea corporate bonds) Treatment: None.
- III Preferred Stock Treatment: None.
- IV Overseas Depositary Receipt Treatment: None.
- V Employee Stock Option Certificate Treatment: None.
- VI Treatment of Restriction of Employee Rights to New Shares: None.
- VII Treatment of Merging or Granting Shares of Other Companies to Issue New Shares: None.
- VIII Treatment of Funds Operation Plan: NA.

Five. Operation Overview

IX Business Contents

(I) Business Scope

1 Major Contents of Owned Business

The company is currently engaged in the department store retail business, which is mainly engaged in the department store retail business. The main sales categories are apparel, jewelry, cosmetics, footwear, sporting goods, household and others, etc. Join catering, supermarkets, beauty salons, women's spas, children's play, dance classes, cinemas and other services supporting projects and online retail business. At present, the main sales area of the Group is China's second-tier and third-tier cities, while the terminal sales customers are mainly general consumers. At present, the main revenue sources of the Group are divided into three categories, including counter joint income, counter direct income and rent, other income and management consulting fees °

2 Main Products and Operation Weight

Currency: NTD (thousand); %

Main Products	2023		2024	
	Amount	Rate (%)	Amount	Rate (%)
Joint Counter	1,221,361	31.97%	839,261	25.94%
Direct Counter	705,830	18.48%	529,614	16.37%
Rent, other income and management consulting fees	1,892,942	49.55%	1,866,040	57.69%
Total	3,820,133	100.00%	3,234,915	100.00%

3 Current commodities of the company: Same as 1.

4 New products and services planned for development in the future:

“The retail enhancement and the experience refinement.” On the basis of the advantageous departments of the major stores, brand abundance will be improved continuously. By refining the experience format, the market share is seized further; the management store model is developed to increase the revenues from business management consulting fees; the functions of the online boundary-free retail department are exerted fully, and the effective collaborations are conducted with vendors, to finely classify, manage and upgrade the Group’s members and the Weimall system continuously; the merchant recruitment department is combined with to find dynamic brands in the market for partnership, and continue to increase entertainment, education and training, boutique supermarkets, and leading food and beverage brands with outstanding performance in the market.

(II) Industry Overview

1 Current Status and Development of the Industry

According to the National Bureau of Statistics report, China's GDP reached RMB 13.5 trillion in 2024, a nominal increase of 4.2% and a real increase of 5.0% at constant prices. The price deflator has been negative for seven consecutive quarters, the same level as during the Asian financial crisis in 1998.

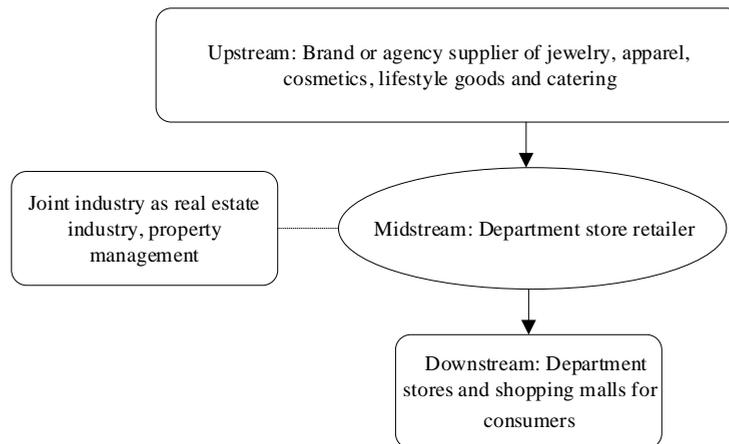
The total retail sales of consumer goods for the whole year was RMB 48.8 trillion, a year-on-year increase of 3.5%. Among them, the total retail sales in December was RMB 4.5 trillion, a year-on-year increase of 3.7%, with the growth rate slightly increasing by 0.8 percentage points from the previous month. Under the influence of national subsidy policies, sales of home appliances, mobile phones, etc. have increased significantly. As New Year's Day and the Spring Festival approach, the growth rate of tobacco and alcohol consumption is also relatively high. However, the growth rate of department store-related categories such as gold jewelry, clothing and cosmetics was basically the same as last year.

According to data from the China National Commercial Information Center, the annual retail sales of the country's 50 key large-scale retail enterprises (mainly department stores) decreased by 4.3%. In December, the retail sales of the 100 key large-scale retail enterprises decreased slightly by 0.1% year-on-year, which was better than other months of the year.

In 2024, the per capita disposable income of Chinese residents was RMB 41,000, a real increase of 5.1%; the per capita consumption expenditure was RMB 28,000, a real increase of 5.1%. But from the perspective of payment, education expenditure increased by 10% year-on-year, accounting for 11% of total expenditure; transportation and communication expenditure increased by 9% year-on-year, accounting for 14% of total expenditure; while clothing and daily necessities increased by 3% and 1% respectively, and the proportion of total expenditure decreased to about 5%. Although the GDP growth rate in 2024 will reach the planned target of 5%, and consumption in the fourth quarter will improve compared with the first three quarters, considering that the export growth rate will be difficult to sustain after Trump takes office, the 3.7% growth rate of retail sales in domestic demand still cannot meet the requirements of taking over domestic production capacity, and government departments will need to further stimulate investment and consumption.

2 Relativity between Upstream, Midstream and Downstream of Retail Industry

The company is specialized at department store marketing, where the main business is to lease commercial real estate and set up department store floor space to provide trading space for brand operators and end consumers. Main operation mode: The company cooperates with real estate and property companies to complete the establishment of department store space, and then introduces department store counters to the upstream brands or their distributors to sell commodities to consumers. Therefore, the related map of the industrial upstream, midstream and downstream of the company is shown as follows:



Information Source: Yuanta Securities

3 All kinds of development trend of products

With the continuous innovation and breakthrough of the traditional retail model along the tide of new Internet technologies, the development of the industrial chain in the retail industry has found a new direction, and it has been upgraded to a new retail business model with the help of new Internet technologies. The vigorous development of the new retail industry also confirms that the traditional marketing patterns are hardly able to meet the needs of consumers in the new retail era for satisfying the psychological demands of the consumer population. The development trends of the retail industry now are analyzed from six major aspects.

(1) The retail industry will accelerate its adaptation to market changes

To respond to the rapidly changing market, commerce is shifting from mindset prioritizing the product channels to the consumer-oriented development. The

constructions of new retail e-commerce system platforms will feature more self-learning and self-adaptive: the focus of commercial development will be shifted from the urban downtown to residential communities, and more retail brands with urban features and regional characteristics will appear in the consumer merchandise market, changing the phenomenon of “undistinguishable stores, undistinguishable merchandise.”

(2) Fusion of technology, fashion and lifestyle

First of all, retailers adopt a series of smart applications such as digital signage, electronic fitting rooms, smart positioning, self-service terminals and VR displays to bring the brand new intellectual and scenario-based shopping experience to consumers. Secondly, product functions will remain fast and repetitive computation, and the access to high-tech products will become a new way for consumers to acquire knowledge and demonstrate their personality. Thirdly, retail brands will communicate their brand cultures and brand positioning to consumers more clearly. The purpose of product display is to display lifestyles, and the product categories in a single store will be richer.

(3) Fusion of high-quality goods, services and cultures

China is transforming from a world factory into a world market, and the market of consumer goods still has great growth potential. Brand owners and retailers will seize the development opportunities in the domestic market to build consumers' confidence in local brands and local retailers from three aspects: insisting the self-confidence to cultures, deeply cultivating the domestic market, purifying the market environment, building an ethical retail system, and returning to the spirit of craftsmanship.

(4) Further incorporation of virtuality and reality

With the rapid penetration of mobile Internet, the growth rate of Internet users in China is slowing down. The next focus of competition for e-commerce will be shifted from attracting traffic to tapping customers' consumption potential: improving product and service quality, reducing the rate of negative reviews, and increasing user loyalty; actively deploy offline outlets; through mergers and acquisitions, cross-shareholdings, the interests of e-commerce and brick-and-mortar stores are bundled to have a win-win stage for the incorporation of virtuality and reality.

(5) Various business formats will be developed in the aggregated and ecological manner

The business environment where the new retail e-commerce platforms to be built in the future will continue to develop toward aggregation and ecology: by being centered on community consumption needs, service consumption needs, and business needs of retail giants, functions such as finance, logistics, and consulting will be more further divided, and the production and service enterprises more professional will develop ecologically, to improve the operating efficiency of large retailers and the quality of residents' consumption.

(6) The social characteristics of the retail industry will become more apparent

In the information era, the information gap between merchants and consumers has been gradually narrowed, and the effect of one-way communication mainly based on advertising has been declining. Word-of-mouth and trust have become key factors for retail brands to be recognized by consumers. Hence, retailers will continue to improve their social attributes by using mainstream social platforms such as WeChat, Weibo, Dianping, and Xiaohongshu, and build a consumer circle by maintaining highly frequent interactions with consumers.

4 Competition

According to Lianshang.com statistics, since 2024, 10 old department stores in China have announced their closures, of which 5 have completely closed down, and the other 5 will be upgraded or demolished and rebuilt. The department stores that have been closed include Shanghai Meilong Isetan, Shenyang Isetan, Xianning Intime Department Store, Guangzhou Panyu Friendship Department Store, Tianjin Isetan Nanjing Road Store and Tianjin Binhai New Area Isetan.

The main reasons for store closures include lease expiration, heavy operating pressure, declining customer flow and the impact of e-commerce. For example, Shanghai Meilongzhen Isetan Department Store lost approximately RMB 18 million from March to November 2023, with the loss further expanding compared with the same period of the previous year.

According to the "2023-2024 China Department Store Retail Industry Development Report", 70.1% of department stores' customer traffic has not yet recovered to the 2019 level, and 64.9% of department stores' sales have not recovered to the 2019 level. The main challenges include insufficient spending power (86.3%), the impact of e-commerce (60%), high operating costs and low profits (58.8%), and difficulty in attracting declining customer traffic (53.8%).

Although the department store industry as a whole is facing difficulties, there is still room for high-end businesses, for example, the revenue of Shanghai Henglong Plaza continues to grow. In addition, community commercialization is gradually becoming a trend in China, and some department stores have begun to try to transform into community life centers.

According to Win Commercial Data, there are 514 commercial projects planned to open nationwide in 2024, with a total volume of approximately 45.38 million square meters. Among them, there are 480 shopping centers covering 43.03 million square meters; 4 independent department store projects covering 486,000 square meters; and 30 commercial blocks and cultural tourism commercial projects covering 1.86 million square meters. In comparison, the number of commercial projects planned to open nationwide in 2023 has decreased further, the lowest in nearly eight years. Compared with 2019 before the epidemic, the number and volume have both fallen by more than 40%, and the year-on-year decline from 2020 has also exceeded 30%.

(III) Technology and R&D Overview

Our group is general merchandise retail business. There is no flaw in the development and manufacture of products. Our management team, department heads and store managers all have 10 to 20 years of experience in retail and department stores. With extensive experience in marketing, business recruitment and adjustment and location selection, we have been developing and nurturing a young talent pipeline over recent years for stores and corporate management. During the past two years, we have recruited many management trainees from key universities. Under our development program, they have become an important workforce in our shops and Unbounded Retail Department. For the future expansion of our Company, we shall further reinforce the development, training and education of human resource by recruiting and retaining excellent retail talents. Then we are able to enrich our stores and improve the level of management.

(IV) Long-term and Short-term Business Development Plans

1 Short-term Business Development Plans of the company

- 1.1 Coordinating and arranging the company's annual event planning schedule, improving the company's planning and operation capabilities in stores, enhancing the effects of marketing activities, and realizing marketing innovation and upgrading.

- 1.2 Fully exerting the strengths of all parties, to improve the quality of the company's merchant recruitment and operating tasks, and actively improving the business environment and service level to increase the stickiness consumption.
 - 1.3 Continuously deepening the membership system management, perfecting the online sales system constantly, and the combining virtuality and reality to enhanced consumer loyalty.
 - 1.4 Actively explore different sales channels, reasonably and efficiently use the sales platforms such as Weimall, Xiaohongshu, Tiktok, and Kuaishou, while being committed to expanding more convenient electronic payment methods to enhance the customer stickiness.
 - 1.5 Emphasizing the adjustment, modification and upgrading; positioning its own consumer group based on its own feature and environmental characteristics, to formulate appropriate adjustment, modification and upgrading programs, and upgrade the cooperative brands.
- 2 Our mid-long term business development plans.
 - 2.1 Grand Ocean's operating theme for 2025 is "follow the trend and drive the two wheels of online and offline; respond to the trend and focus on the retail experience in both directions", and continue to be committed to deepening the existing market, further seizing market share, and enhancing the company's brand influence.
 - 2.2 Look for possibilities to expand new markets and new models, innovate company management models, and cater to market development needs.
 - 2.3 Continuing to deepen the membership system management, optimizing the management of member hierarchy, scientifically managing members, realizing precise services, and increasing consumption stickiness.
 - 2.4 Continue the development department's role and explore better and more appropriate projects for "the third venture" and "building another Grand Ocean".
 - 2.5 Optimizing and upgrading brands, reasonably combining business forms, improving brand richness, enhancing market positioning of the company, and providing high-quality software and hardware services.

3 Business Target

3.1 Unbounded strategy upgrade improves member operation efficiency

Grand Ocean has always adhered to the "customer-centric" business philosophy and has accumulated rich membership resources over many years of operation. Through big data and AI technology, we analyze consumers' shopping behaviors and habits, and then implement targeted marketing to meet their personalized and diversified needs, and ultimately achieve precision marketing.

In terms of member management, we conduct data analysis to gain an in-depth understanding of member profiles, and on this basis, we plan a variety of member-only activities, such as member day activities on fixed dates every month, and redemption of high-value points for popular products or services. In addition, traditional offline promotional channels can no longer meet current demand, so it is necessary to promote activities through multiple online and offline channels in advance to attract members to actively participate.

Grand Ocean Boundless Retail Business Department is committed to expanding online sales channels, expanding the scope of online promotions, and actively developing strategic cooperation with mainstream online platforms to make up for the shortcomings of offline sales.

3.2 Make every effort to promote the adjustment, reform and upgrade of investment promotion

Adjustment, reform and upgrading have become the only way for the retail industry to adapt to consumption changes and cope with competition. In 2025,

Grand Ocean will focus on promoting investment promotion for 1000 trees Phase I and Phase II, Wuhan Grand Ocean Center and Fuzhou Second Store. Accurately position target brands based on factors such as the city's economic level, consumption habits and population structure. For example, Shanghai has diverse and high-end consumption, so it can introduce children's experience formats and fashion sports formats that focus on quality and experience; Wuhan has high consumption vitality, focuses on cost-effectiveness and trends, so it can introduce cost-effective brands, trendy domestic products and Internet celebrity restaurants; Fuzhou's developed business districts need brands with quality assurance and local specialty restaurants. By 2025, our goal is to reduce the vacancy rate to less than 10%, providing strong support for the stable development of the group.

3.3 Better troops and simpler administration to improve efficiency

Streamlining administration and staffing is a key measure to improve efficiency, reduce costs, enhance flexibility and service quality, and help build business and adapt to market demand. In 2025, Grand Ocean will further optimize store staffing and strictly control redundant costs. At the same time, we will refine the responsibilities of management levels, comprehensively sort out and optimize the team of management-level cadres, and implement an "upward and downward" assessment mechanism. For departments or individuals that fail to meet the standards, set clear rectification deadlines to comprehensively improve management efficiency.

In addition, based on the successful experience of OA time-limited approval, we will regularly collect employees' feedback on the OA system, optimize problems such as cumbersome processes and long approval times, simplify the approval procedures, shorten response time, and improve overall work efficiency.

3.4 Strengthen talent training and improve incentive mechanisms

Grand Ocean will further strengthen talent cultivation, break the conventional employment mechanism, tap employees with special talents and potential, and select talents in an eclectic manner. For employees with outstanding performance, regardless of qualifications or academic qualifications, they will be given promotion opportunities or the right to participate in important projects to ensure that talents can maximize their value in suitable positions.

At the same time, we will improve the talent incentive mechanism and deepen the implementation of the target responsibility system for all employees. The system has achieved remarkable results in more than two years since its implementation. In 2024, despite the impact of the overall environment, only a few stores successfully received bonuses, but this proves that we are willing to give employees more rewards as long as the goals are achieved. In 2025, we will further optimize the assessment system, assign responsibilities specifically to management levels and floors, and strengthen monthly assessments. If the target is not achieved, the group will help analyze the problem and develop improvement strategies; if there is no improvement after assistance, the company will be eliminated.

X Market and Products Selling Overview

(I) Market Analysis

1 Main Products Sales Region

NTD (thousand) ; %

Region	2023		2024	
	Amount	Rate	Amount	Rate
Asia (China)	3,820,133	100.00%	3,234,915	100.00%
Total	3,820,133	100.00%	3,234,915	100.00%

2 Market Share

When choosing locations, Grand Ocean's stores prefer business districts with heavy traffic and a mature commercial atmosphere. In addition, through reform and innovation, the company has completed the adjustment and brand upgrading of many stores; in terms of investment promotion, it takes performance as the main line and market as the leading factor, selects the right target customer groups, takes millennials as the more important customer source in the future, and introduces a large number of international first-line cosmetics to meet market demand, increase customer flow, and effectively maintain stable performance.

3 Future Supply and Demands, as well as Growth of Market

3.1 Future Supply and Demands of Market

According to Lianshang.com, there are 378 commercial projects planned to open nationwide in 2025. The newly added commercial building area is 30.3642 million square meters, with an average single building area of 80,000 square meters.

Judging from the distribution of the seven major regions, East China, as usual, is far ahead with 187 projects planned to open, almost twice as many as South China and Central China, which are in second and third place. The number of commercial projects planned to open in South China is twice that of Central China. South China has 63 projects planned to open in 2025, ranking second among regions.

From the perspective of cities, Shanghai takes the lead with 29 projects planned to open. Nanjing ranks second with 19 commercial projects planned to open, and Hangzhou ranks third.

In terms of scale, the scale development of commercial projects planned to be opened in 2025 will continue the overall trend of previous years. The commercial scale of 50,000-100,000 square meters is the more mainstream choice. Commercial projects of this scale are most suitable for planning as one-stop shopping centers, which not only meet the basic consumer needs such as eating, drinking, playing, and shopping, but also can introduce entertainment formats such as cinemas, theaters, and script-killing. It is a relatively perfect choice. Following closely behind are commercial projects of 20,000 to 50,000 square meters. At a time when shopping malls are becoming more and more homogenized, some developers choose to focus on "small and beautiful" small commercial projects. Whether it is cost control, shopping mall operation, or business format adjustment, small-scale commercial projects have unique advantages. As long as you carefully study the consumer base and magnify your own advantages, small-scale commercial projects can also be successful.

3.2 Change of Future Demands of Market

3.2.1 Department stores accelerate to become mall-like

After nearly a decade of development, traditional large-sized general department stores are currently saturated. Under the circumstance with severe brand homogeneity (more than 60%) and intensified peer competition, traditional department stores are not only under the strong impacts from e-commerce, but also face the intensification of multi-format competition (such as the continuous emergence of new retail formats), as well as the "cold snap" of sharp surges for operating costs including manpower and rent. In addition, with the improvement of consumption level, consumers' shopping habits have changed, favoring the diversified shopping experience.

Against the backdrop, to respond to the new market landscape, traditional department stores with a relatively single format seek to create the consumption experience alike to shopping malls by adopting all effective means, such as the introduction of fashion brand flagship stores, expansion and renovation of selling spaces, and adding experiential elements in selling spaces. In other words, various needs of consumers are satisfied with a collection of rich formats and functions.

3.2.2 Virtuality and reality incorporation and linkage

The large-scale application of new technologies such as e-commerce and mobile Internet is an irreversible reform that has increasingly profoundly affected the lifestyles of consumer groups. Against the backdrop, online shopping has developed rapidly and powerfully in China in recent years. Most brick-and-mortar retailers, especially traditional department stores, have been strongly impacted as expected. Meanwhile, more and more department store operators have begun to pay attention to and try the online platform construction.

3.2.3 Emphasizing information acquisition and analysis

In terms of information acquisition, it has changed from one-way brand push in the past to top-down consumption guided by users' word-of-mouth. However, with the development of technology, there are more and more touchpoints between consumers and brands, which is especially evident in the fast fashion consumers in China. According to McKinsey's survey in the past two years, Chinese consumers went through an average of 15 information touchpoints in a single decision-making journey. These include 7 offline touchpoints and 8 online touchpoints, making the Chinese consumers the consumers having the most touchpoints in all countries. More than half of these information touchpoints are brand-oriented. Brand orientation includes in-store experience, brand advertising, and celebrity endorsements, while the rest of the information touchpoints come from user-led information channels, including other people's displays seen, recommendations from relatives and friends, users' reviews, KOL promotions, and introductions from online information platforms.

3.2.4 Chaining, differentiation and multi-format incorporation

The core of department store chain operation lies in the aggregation of production elements and standardized allocation, mainly including channel management of brand merchandise resources, standardized management of store operations, standards of location selection and positioning, and brand management of site conditions. These are generally reflected in three regards such as expansion of business formats, space and organizational mechanism. This operation mode has changed the single and independent form of store organization in department stores in the past. It not only maintains the advantage of mass sales, but also adapts to diversified market demands.

3.2.5 Gradually develop self-operated commodity business

In the department store industry, the capability of in-house merchandises is positioned as "features + supplements;" it is not only a key means to build merchandise differentiation and enhance

brand image, but also a core business capability distinguishing department stores from shopping malls. Recently, many research reports show that although the joint operation has been the mainstream business model for a very long period of time, it is no longer possible for department stores to create greater profit margins. On the contrary, the experience of well-known international department stores shows that the in-house merchandise consisting of exclusive operation and self-owned brands creates ample operating profits and forms differentiation. °

4 Competition Benefits

4.1 Excellent Geographical Location

Grand Ocean Department Store prefer the business district with massive crowds and mature business atmosphere when selecting the site. For the 14 stores which are in operation for example, currently 8 of them are located at the exit of the newly opened MRT stations. Among them, 5 stores are directly connected to the MRT underground passage, especially Nanjing Grand Ocean Classic Commerical Limited, Wuhan Zhongshan Store, and Fuzhou Secondary Store have become two subway line transfer stations, respectively. In addition, 10 department stores are located in mainstream businesses that gather people and cash flow, and have a convenient transportation shopping are. Shiyuan Store and Dongjiekou underground shopping streets which are newly opened in 2018 are also both located at the very center of the traditional commercial area in the city. The 1000 trees project, which was launched on December 22, 2021, is located in Suzhou Riverside Art Park, Putuo District, Shanghai.

4.2 Experienced Department Store Management Talents

All of the main management class and the chiefs of each store have 10~20 years of experience in the department store retail industry, and are all well experienced in department store sales, marketing strategy, store selection and management, making us more competitive in the store selection and marketing strategy than the peers; The Group has continuously enriched the retail business team and talent training through multiple business executives and store head competitions; social recruitment of reserve cadres, industry senior lecturer training, and multi-city industry communication methods. At the same time, we pay more attention to the younger, more specialized, and highly educated construction management team.

4.3 Years-accumulated Customer Groups

Grand Ocean Department Store has accumulated many years of experience in department store management. Under the continuous improvement of service quality, it has won the trust from the consumers in recent years and established a good brand image and basic customer base. The key reasons are mainly in the contents of the products sold by Grand Ocean Department Store, which are all in line with the needs of consumers, and provide friendly and considerate service quality to meet customer requirements. Under this competitive advantage, we will continue to improve quality management, and establish the retail venues that meet the modern consumer concept, and to attract more young customers to establish a long-term management mechanism and to achieve the goal of sustainable operation.

4.4 Formulate and Implement a Scientific Incentive System

In order to further improve the management ability of managers, clarify the responsibilities and objectives, more effectively achieve the performance

and benefit indicators and tasks assigned by the Group, encourage the advanced, spur the backward, and provide the basis for promotion, salary increase, demotion and salary reduction, In 2024, the Group will continue to deepen the implementation of the all-employee target responsibility system where the responsibility is insisted to stores, departments, and individuals. For the entire Group, the all-employee target responsibility system is very motivative. Many stores receive the incentives by achieving the goal. By fully implementing the all-employee target responsibility system, and with the open and transparent incentive standards, all employees of the Group are greatly motivated.

4.5 Management styles up to date

Grand Ocean has stood at the forefront of the tide for more than 20 years, and the secret is constant self-reflection and keeping pace with the times. We have experienced many crises and overcome many difficulties. Our team has become strong in the process of overcoming difficulties. In view of the unprecedented changes in the current situation, Grand Ocean gives full play to its undaunted spirit, and at the same time, increases the sense of crisis and starts a new venture for the third time; this is the spirit of the post-pandemic era. Grand Ocean should follow Yang-Ming Wang's concept of practice on things and unity of knowledge and action. We should not wait or rely on others, but win the initiative with our own innovation. We firmly believe that we will not be submerged by the trend of the times, but will bravely stand in the forefront of the tide and pursue the future.

5 Merit, Demerit and Countermeasure of Development Prospect

5.1 Merit

5.1.1 The new consumption patterns are developed steadily, and the brick-and-mortar retail continues to recover

In 2025, under the strong leadership of the Chinese government, the promotion of consumption stimulation policies were effective, and the consumer market continue to recover. The new consumption patterns have been developing more rapidly, and the consumption demand for ecological upgrades continues to be released, the growth of essential necessities was good, and the proportions of the county and township-scale markets have increased. The long-term favorable trend in the development of the consumer market has not changed.

In 2024, the total retail sales of consumer goods will be RMB 48.8 trillion, a year-on-year increase of 3.5%; among them, retail sales in December increased by 3.7%, a slight increase of 0.8% from the previous month. Under the influence of national subsidy policies, sales of home appliances, mobile phones, etc. have increased significantly. As New Year's Day and the Spring Festival approach, the growth rate of tobacco and alcohol consumption is also relatively high.

5.1.2 The consumer market in China has a large scale and great potential, and the consumption continues to be upgraded and developed

The long-term positive fundamentals of consumption development have not changed. Judging from recent developments, with the optimization and implementation of epidemic prevention and control policies and the orderly restoration of consumption scenarios, contact-based service consumption such as catering, which was severely affected by the epidemic in the early stages, has begun to improve. From the perspective of long-term development potential,

the total population of the mainland exceeds 1.4 billion, the urbanization rate is steadily increasing, and the rural market has great potential, which strongly supports the stable recovery and development of China's consumer market. The trend of consumption upgrading has not changed. In the few years before the outbreak of the epidemic, residents' consumption had shown an upgrading trend. Even though it was impacted by the epidemic, the trend of consumption upgrading has not changed. At present, residents' demand for quality continues to increase, the concept of green environmental protection is becoming more deeply rooted in the hearts of the people, and the willingness to consume services remains strong. With the innovation and expansion of consumption scenarios, the steady growth of residents' income and the continuous improvement of market supply, the consumption structure will continue to be optimized and upgraded.

5.1.3 Excellent Brand Images

Since its establishment in 2002, Grand Ocean Department Store has been developing retail industry. It has accumulated many years of practical experience in department store operations. It has successively expanded its position among the riverbanks of Yangtze River and gradually expanded its business scope. All of them have excellent sales performance, trusted and affirmed profoundly by the China consumers. The successful launch of the new Grand Ocean 1000 trees project has attracted the customer flow in Shanghai and even the whole country, and won the top attention.

5.1.4 Experienced Department Store Management Talents

The company's main management segments (such as managers of each department, etc.) and its stores have a total of 10 to 20 years of experience in the department store and retail industries, and well-experienced in department store sales, marketing strategies, shop selection and management, which makes the company more competitive in terms of store selection and marketing strategies than its peers. Furthermore, the excellent management talents can enhance the service quality of the group and provide our consumers with a more comfortable shopping environment. The competitive advantage of the talents is that in the current situation of the department stores, it is impossible for other department stores to reach it within a short time.

5.2 Demerit

5.2.1 Philosophy does not align with the trait of fashion

The department store industry is a fashion industry. Large-scale department stores are fashion leaders and consumption hubs, representing the commercial prosperity of the city where they are located and the essential market channel for high-end brands. Some department stores are even landmark buildings in the city where they are located. Operation of a department store requires in-depth grasp of fashion trends, and on this basis, the aligning products and services are selected.

The retail industry in China leads international peers in terms of digital applications and experience; however, it also results in some illusions in the industry that our retail industry is already leading the world. In fact, in many respects, the retail industry in China still has

a lot to learn from the world. Regarding the department store format, image display, window design, merchandise management, and customer service, we still have deficiencies. Essentially, many department stores are still operated under the guidance of traditional concepts, but lacking sensitivity to fashion, not to mention the urgency to change traditional concepts. There is a gap between business philosophy and consumer demands, causing a dislocation between demand and supply.

Among these traditional mindsets, some come from the current system, for instance, many department stores are state-owned, and the management mindset of the executives is traditional, and the reforming awareness and motivation of the management are lackluster. Some of these are sourced from themselves. By reviewing the executive information of listed department store operators, nearly 40% of them were born in 70s, very few born were born in the 80s, and most of them were born in the 60s. It is observed that some department stores with strong fashion sense and better management emerged recently generally have one thing in common, that is, the younger operation team.

Countermeasure:

The current retail industry is an era of digital transformation, an era of quality upgrading, and an era of concept shifting. New talents and management teams should be introduced, new concepts, to adopt new concepts and the young teams for better grasping changes in consumers' demands, with the business philosophy better aligning with social trends, to maximize the provision of goods and services matching the demands.

5. 2. 2 Unclear development strategies and directions

Against the backdrop of sluggish overall growth and performance grown poorly in the retail industry, all corporates have to strategically select which way their development shall go individually. In terms of development direction, shall the retail business be insisted? We have seen that some retailers are transforming their development directions. Some are transforming into new energy, some are transforming into office space, some are involved in the field of digital payment, and some are investing in big health. The effects of these transformations or investments have yet to be further observed.

In terms of strategic selection, shall the department store format be insisted? Some have proposed to be shopping mall alike; however, given the spaces and property conditions of department stores, very few are suitable for transforming into shopping malls. In practice, there are not many truly successful cases. Most of the companies that have been adjusted and modified attempt to adjust partially, such as increasing the number of business formats for kids, and add stores viral online, and they insist on the attributes and models of department stores.

In terms of tactical options, there are still some issues, such as whether to continue to open stores? Should digital investments be increased? Should in-house merchandises be increased? These issues are not agreed to a certain level within the enterprise, and the

enterprise has not formed a clear strategy and target system for some issues.

Countermeasure:

In terms of merchandise operation, department stores are stronger than shopping malls. Although the format of department stores does not fully control the sales, prices, and inventory of counters or brands, comparing to shopping malls, their product positioning and brand combination capabilities still obviously outperform. The nature of retail is still merchandise and services, however it changes, the essence and capabilities of “merchandise” in the department store format cannot be lost anymore. The key is to enhance the service quality, improve the consumption environment, and strengthen the comfort of shopping.

5.2.3 Lack of means for growing performance

Against the backdrop of overall weak consumption and fierce competition for inventory, most companies lack the means to increase their performance when facing the declining customer traffic resulted from frequent and broad outbreaks of the pandemic. Generally speaking, there are many options for improving the performance, but each option has different difficulties. For instance, to open a new store, it requires a lot of investments, while there is uncertainty about whether the surrounding consumption can support the results of the new store, and there are risks for operation; developing a multi-brand store requires not only a professional team, but also the support of brand owners; by increasing experience format, it means that the rent or rebate revenues may decline when increasing the customer traffic; increase in-house merchandises, issues such as insufficient self-owned funds or professional capabilities is insufficient.

In terms of omni-channel, some companies have achieved good growth relying on community operations, WeChat and applet ecology, as well as live broadcasting. For enterprises that have reserved the capability to incorporate the online and offline operations in the early stage, they respond rapidly after the outbreak, with better exertion of the online business. With the increase in sales volume, inputs of resources and capability have further strengthened the capability in this regard. The continuous impacts of the pandemic resulted new growth points for some enterprises. There are also many department stores, while having consensus on online and offline integration in the early stage, the digital construction is limited to the internal management system due to limited investment and insufficient emphasis. Therefore, due to the impact of the pandemic, the platforms launched in urgent meet the urgent needs, but cannot support the long-term business needs, and it is difficult to make decisions whether to continue investing due to unclear strategies. From the view of the entire industry, only a few of companies have realized the new growth through digitalization and omni-channel.

Countermeasure:

The online retailing cannot open up the market or reverse the unfavorable situation with only one model or one innovation like the internet. Retail is the details, relying on the accumulation bit by bit and gradual changes, continuous expansion of new platforms and

channels, communities meticulously maintained, convert the traffic in the public domain to private domain traffic, refined management of members, and precise services.

5.2.4 Unattractive weak products

The department store format is an important venue for high-quality consumption. Relative to other formats, it has higher requirements for merchandise power, which is the core competitiveness. Department stores with outstanding operating performance basically have strong merchandise power, including clear merchandise positioning, differentiated merchandise mix, and competitive merchandise prices, forming relatively high competition barriers.

Most department stores are still in a state of homogeneous competition, manifested in homogenized operations and merchandise. The homogeneity of operation is reflected in the fact where the industry basically adopts joint operation, supplemented with the combination of leasing and partial in-house merchandises. Under the joint operation model, the function of a shopping mall is mainly to attract merchants, as well as the matching of merchandise structure and brand structure, but the grasp of consumer demands and the capability of merchandise selection are insufficient.

Countermeasure:

Improve the quality and pace of merchant recruitment, evaluate the performance and popularity of brands in the market, and regularly optimize and upgrade brands; emphasize adjustments and modifications, with the scientific and reasonable combination of business formats, to gradually upgrade, improve merchandise power and brand awareness.

- (II) Important use of the main products and production process
The company belongs to department retail industry; therefore, it is not applicable.
- (III) Supply of the Major Materials
The company belongs to department retail industry; therefore, it is not applicable.
- (IV) List of Major Purchase/Sales Customers
 - 1 Information on Major Supplier over the Past 2 Years
The company belongs to department store retail industry. The products sold are mainly purchased from agents or brand owners. However, the number of brands sold by various department stores can reach 200-600 brands. Therefore, the largest purchase each year in the supplier's purchase is less than 10%, hence there is no information on major suppliers.
 - 2 Information on Major Sales Customer over the Past 2 Years
The company belongs to department store retail industry. The main sales target is the general consumer, so there is no information on major sales customer.
- (V) Production Volume over the Past 2 Years
The company belongs to department retail industry; therefore, it is not applicable.
- (VI) Sales Volume over the Past 2 Years

Currency: NTD (thousand)

Main Products	2023				2024			
	Domestic Sales (Note 1)		Foreign Sales (Note1 & Note 2)		Domestic Sales (Note 1)		Foreign Sales (Note1 & Note 2)	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Joint Counter	—	1,221,361	—	—	—	839,261	—	—
Direct Counter	—	705,830	—	—	—	529,614	—	—

Rentals and Others	—	1,892,942	—	—	—	1,866,040	—	—
Total	—	3,820,133	—	—	—	3,234,915	—	—

Note 1: As the company belongs to department store retail industry, the nature of sales products is too different, hence the sales volume information is not counted.

Note 2. Foreign sales mean the sales are output to the regions besides China.

XI Number of Employee in the Past 2 Years

Year		2023	2024	2025/5/1
Number of Employee	Manager	16	10	10
	General Employee	1,020	896	829
	Total	1,036	906	839
Age in Average		36.43	39.30	39.7
Average Year of Service		8.14	9.36	9.75
Academic Education Distribution Rate	Ph.D.	0.00%	0.00%	0.00%
	Master	0.78%	1.66%	2.14%
	Bachelor	68.53%	68.65%	67.70%
	Senior High School	21.13%	19.55%	19.79%
	below Senior High School	9.56%	10.14%	10.37%

XII Information on Green Expenses

The company belongs to department store industry, as being a non-production enterprise, no facility equipment nor emission permit application requirements, and is not subject to the possibility of environmental protection agencies; hence, there are no major environmental issues or expenditures.

XIII Labor Relations

(I) List the company's employee welfare measures, education, training, retirement system and the implementation status thereof, as well as the agreement between labor and management, and various employee rights maintenance measures.

1 Employee Welfare

In addition to the various welfare measures, the Group has a special department responsible for planning and implementing employee benefits to promote the development of the company's human resources. At present, the company provides employee insurance benefits measures in addition to the employee's medical insurance, basic employee pension insurance, unemployment insurance, employee injury insurance, maternity insurance and housing provident fund, as well as personal accident insurance. In addition to the insurance and welfare measures, the employees of the Group also enjoy welfare measures such as company feeding (employees at department stores), paid holidays, birthday cake coupons, health checks and condolences, and enjoy the festival bonuses during the Spring Festival and Mid-Autumn Festival. Bonus and year-end bonuses are determined based on the quarterly performance of each store and the approved level of personnel assessment.

2 Education and Training

In order to improve the quality and work skills of employees and enhance the efficiency and quality of work, the company has compiled an education and training budget for employee training. Each department store location arranges induction training and professional skills improvement training for new employees. In 2024, each store completed 22 induction training sessions for new employees, training a total of 37 people; arranged 73 training sessions for new sales staff, training a total of 1,100 people; 261 professional skills training sessions, training a total of 5,042 people (including 11 training sessions for effective customer complaints and crisis handling in compulsory courses, training a total of 224 people; 11 training sessions for the improvement of communication skills and negotiation skills, training a total of 203 people; 11 training sessions for refined operation management, training a total of 150 people; 11 training sessions for Mobo Yunzhou related courses, training a total of 195 people; 7 training sessions for efficient work, training 247 people; 5 training sessions on the actual operation and use of CAD, with a total of 72 people trained; 9 training sessions on shopping mall safety management, with a total of 218 people trained; 6 training sessions on service etiquette, with a total of 335 people trained; 5 training sessions on market industry dynamics analysis, with a total of 85 people trained; 6 training sessions on financial internal work processes and the latest tax policies, with a total of 45 people trained; 6 training sessions on team awareness and cohesion, with a total of 374 people trained; 38 training sessions on supervisor improvement, with a total of 803 people trained; 7 training sessions on service skills (I), with a total of 28 people trained; 8 training sessions on service skills (II), with a total of 73 people trained; 36 CPOS training sessions, with a total of 474 people trained; 21 online training sessions, with a total of 304 people trained; in addition, 63 other training sessions, with a total of 1,212 people trained).

3 Retirement System and Implementation

The operating bases of the company, the various department stores of the Grand Ocean Classic Commercial Group, have paid monthly pensions to the local government finance department accounts in accordance with the “Regulations on Basic Pension Insurance for Enterprise Employees” in the country of operation. And the company assist employees to go through retirement procedures at the legal retirement age of employees in accordance with the law.

4 Labor Coordination

The company always attaches great importance to employees' rights and interests, and the labor relations are harmonious. The company attaches importance to the opinions of employees. Employees can directly communicate with the human resources department or appropriate senior executives to maintain good relations. Therefore, no major labor disputes have occurred so far.

5 Various Employee Rights Maintenance Measures

The company has internal control and various management methods, which clearly define employee rights and obligations and welfare items, and regularly review the welfare content to protect employees' rights and interests.

- (II) Explanation on the losses suffered by the company due to labor disputes last year, and as of the date of Publication of Annual Report, and disclose the current and future estimated amounts and corresponding measures. If it cannot be reasonably estimated, the facts that cannot be reasonably estimated should be stated.

The company's group has a harmonious labor relations and respects the opinions of its colleagues. Employees can reflect their opinions at any time through meetings, emails or mailboxes. The labor and management communication pipeline is unimpeded. Therefore, no major labor disputes have occurred so far.

XIV Information and Communication Security Management

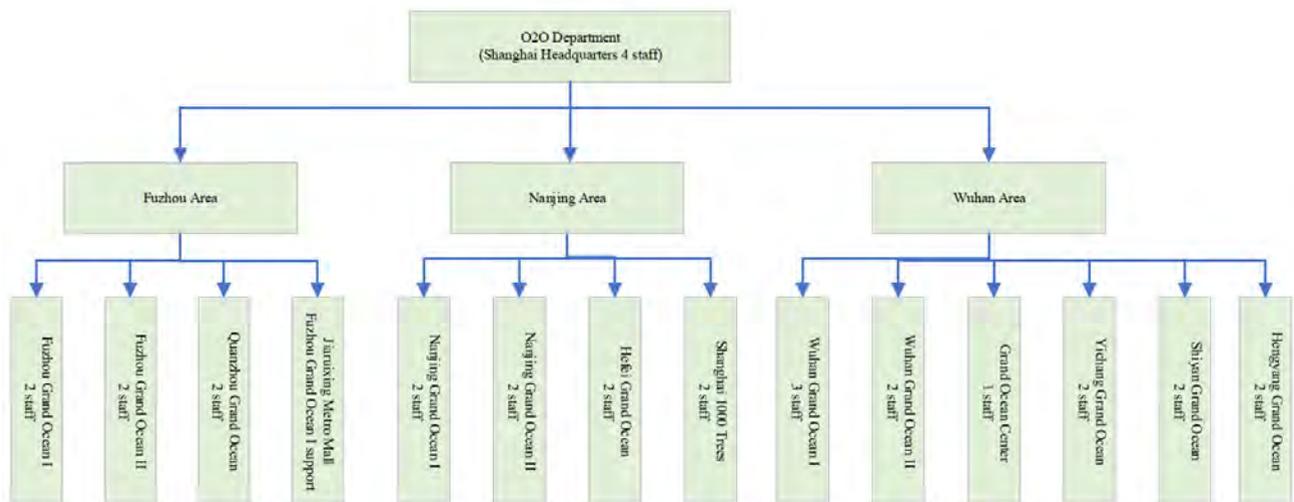
(I) Describe the risk management structure of information and communication security, information and communication security policy, and specific management scheme and resources invested in information and communication security management:

(1) Risk Management Structure of Information and Communication Security

The company established a dedicated information security unit in December 2023, assigning a total of 2 information security supervisors and dedicated personnel to be responsible for planning, executing and promoting information security management matters, and promoting information security awareness.

The Audit Department of the company is the audit unit of information security. Any defect found in the audit will immediately require the audited unit to put forward relevant improvement plans and submit them to the board of directors; it also regularly tracks the improvement results to reduce the internal information security risk.

(2) Organizational Structure of Information Department, and total of 30 people are installed



Responsibilities of headquarters O2O:

- Research and development of the Group's information system and approval of construction scheme.
- Network information security control.
- Establishment of store opening system.
- Budget, code and coordination.
- Technology development and improvement.
- Provide technical consultation, technical services and training for stores.

Responsibilities of regional IT:

- Front and rear desk network management of the whole store.
- Arrange the daily work of IT staff.
- Coordinate the relationship between the IT unit and various departments.
- Maintenance and management of the Group's cash register software and hardware.
- Relevant system management and abnormal state prevention.
- Responsible for IT technical support of existing stores in the region.
- Assisting the headquarters in system testing.
- Assisting in the preliminary preparation of new stores.

(3) Information Security Policy

- Maintain the information system's continuous operation.

- B. Prevent hackers and various viruses from invasion and destruction.
- C. Prevent the unauthorized use of data and systems.
- D. Maintain physical environment security.
- E. Implement information security audits regularly to ensure information security.
- F. Personnel management and information security training.

(4) Specific Management Plans

Network security management	File access management	Emergency response plan and backup restoration	Publicity and inspection
Firewall setup	Computer servers are managed by dedicated personnel, and user permissions are set individually	Regularly check the emergency response plan	Constantly publicize information security to employees to enhance employees' awareness of information security
Scan the operating system and files regularly	Set different permissions to users by function	Annual backup restoration	Regularly carry out information security inspection every year and report to the Chairman
Regularly change the server account password	Delete the permissions of resigned personnel	Establish a backup mechanism and implement remote backup	
Regularly overlay the network system log to track exceptions	Completely delete data and destroy software before equipment scrapping	Check the computer and network security mechanism regularly	
	Review mechanism for all remote logins		

- (II) List the losses and possible impacts suffered due to major information and communication security incidents in the most recent year and up to the printing date of the annual report and the countermeasures. If a reasonable estimate is impossible, explain the facts for the inability to estimate reasonably: None.

XV Material Contract

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
Finance Contract	The company and Chinatrust Bank Hong Kong Branch	2024/11/29-2025/11/29	The company and Chinatrust Commercial Bank have signed a credit agreement regarding the financing line and banking services provided by Chinatrust Commercial Bank.	NONE
Finance Contract	The company and Bank of East Asia	2022/11/04~2025/11/04	The company and Bank of East Asia have signed a credit agreement regarding the financing line and banking services provided by Bank of East Asia.	Letter of credit issued by East Asia China
Finance Contract	The company and Bank of East Asia	2024/07/05-2025/07/05	The company and Bank of East Asia have signed a credit agreement regarding the financing line and banking services provided by Bank of East Asia.	Letter of credit issued by East Asia China
Finance Contract	The company and KGI Bank	2023/12/29~2025/12/29	The company and KGI Bank have signed a credit agreement regarding the financing	NONE

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
			line and banking services provided by KGI Bank.	
Finance Contract	The company and Hua Nan Bank	2023/11/08-2026/11/08	The company and Hua Nan Bank have signed a credit agreement regarding the financing line and banking services provided by Hua Nan Bank.	NONE
Finance Contract	Wuhan Grand Ocean Classic Commerical Developoment Ltd. and Hankou Bank Co., Ltd. Wanda Commercial Plaza Branch	2022/11/03~2025/11/03	Wuhan Grand Ocean Classic Commerical Developoment Ltd.obtained a real estate mortgage loan from Wanda Commercial Plaza Branch of Hankou Bank Co., Ltd.	Real Estate Mortgage Setting
Finance Contract	Grand Ocean Classic Commerical Group Co., Ltd. and China Merchants Bank Co., Ltd. Shanghai Tianshan Branch	2022/12/12~2025/12/11	Grand Ocean Classic Commerical Group Co., Ltd. acquired a credit facility of real estate mortgage loan from China Merchants Bank Co., Ltd. Shanghai Tianshan Branch.	Real Estate Mortgage Setting
Finance Contract	Grand Ocean Classic Commerical Group Co., Ltd. and CTBC Bank Shanghai Branch	2024/09/26~2025/09/26	Grand Ocean Classic Commerical Group Co., Ltd. acquired a credit facility from CTBC Bank Shanghai Branch	Real Estate Mortgage Setting
Insurance Contract	The company and Fubon Product Insurance Co., Ltd.	2024/10/01~2025/10/01	The company and Fubon Product Insurance Co., Ltd. has cosigned a liability insurance contract for Directors and managers.	NONE
Lease Contract	Taiwan Office of the company and the Final Parent Company – First Steamship Co., Ltd.	2024/07/01~2025/06/30	Taiwan office of the company leased an office from First Steamship Co., Ltd.	NONE
Lease Contract	Grand Ocean Classic Commerical Group Co., Ltd. and Shanghai Tianan Center Building Co., Ltd.	2016/5/1~2026/4/30	Grand Ocean Classic Commerical Group Co., Ltd. leased an office from Shanghai Tianan Center Building Co., Ltd.	NONE
Lease Contract	Nanjing Grand Ocean Classic Commerical Limited and Nanjing Tiandu Industrial Co., Ltd.	2023/1/1~2032/12/31	Nanjing Grand Ocean Classic Commerical Limited leased the department store location from Nanjing Tiandu Industrial Co., Ltd.	NONE
Lease Contract	Nanjing Grand Ocean Classic Commerical Limited and Nanjing Red Sun Real Estate Development Co., Ltd.	2011/5/1~2031/04/30	Nanjing Grand Ocean Classic Commerical Limited leased the properties as the department store location for Nanjing Secondary Store from Nanjing Red Sun Real Estate Development Co., Ltd.	NONE
Lease Contract	Hefei Grand Ocean Classic Commerical Development Limited and Anhui Meiyuan Investment Real Estate Co., Ltd.	2021/5/1~2036/9/30	Hefei Grand Ocean Classic Commerical Development Limited leased the department store location from Anhui Meiyuan Investment Real Estate Co., Ltd.	NONE

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
Lease Contract	Wuhan Grand Ocean Classic Commerical Development Ltd. and Wuhan Holding Company Ltd.	2025/02/01~2030/01/31	Wuhan Grand Ocean Classic Commerical Development Ltd. leased the department store location from Wuhan Holding Company Ltd.	NONE
Lease Contract	Wuhan Optics Valley Grand Ocean Commerical Development Limited and Wuhan Lijia Real Estate Co., Ltd.	2008/04/01~2028/03/31	Wuhan Optics Valley Grand Ocean Commerical Development Limited leased the department store location from Wuhan Lijia Real Estate Co., Ltd.	NONE
Lease Contract	Yichang Grand Ocean Commerical Limited and Yichang Xinhengji Investment Development Co., Ltd.	2011/9/10~2031/9/9	Yichang Grand Ocean Commerical Limited leased the department store location from Yichang Xinhengji Investment Development Co., Ltd.	NONE
Lease Contract Supplementary Agreement	Yichang Grand Ocean Commerical Limited and Yichang Xinhengji Investment Development Co., Ltd.	2017/10/10~2031/9/9	To increase the area of the leased basement floor, with an area of approximately 5,300 square meters.	NONE
Lease Contract	Fuzhou JIARUIXING Business Administration Limited and Fujian Dongbai Group Co., Ltd.	2018/8/2~2028/8/2	Fuzhou JIARUIXING Business Administration Limited leases the location for department store business from Fujian Dongbai Group Co., Ltd.	NONE
Lease Contract	Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd and Shanghai Arc de Triomphe Enterprise Development Co., Ltd.	2022/1/1~2041/12/31	Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd leased a shopping center base from Shanghai Arc de Triomphe Enterprise Development Co., Ltd.	NONE
Contract on Commodity Housing Transaction	Quanzhou Grand Ocean Commerical Limited and Quanzhou Fuhua Commercial Building Co., Ltd.	2012/2/21	Quanzhou Grand Ocean Commerical Limited purchased the department store location from Quanzhou Fuhua Commercial Building Co., Ltd. (property certificate of B1F garage, B2F garage, B1F mall, 1F mall, 2F mall, 3F mall and 5F mall had been acquired; property certificate of 4F mall is still under processing)	NONE
Lease Contract	Nanguo Real Estate Co., Ltd. and Wuhan Grand Ocean Classic Commerical Development Ltd.	2023/09/01~2035/08/31	Wuhan Grand Ocean Classic Commerical Development Ltd. rented an area of about 40,000 square meters from the second underground floor to the sixth floor of the "Nanguo Center Phase I" project from Nanguo Real Estate Co., Ltd. as a department store business base.	The first and second phases of the Nanguo Center leased by Wuhan Grand Ocean Classic Commerical
Lease Contract	Hubei Nanguo Innovation Real Estate Co., Ltd. and Wuhan Grand Ocean Classic Commerical Development Ltd.	2023/09/01~2035/08/31	Wuhan Grand Ocean Classic Commerical Development Ltd. rented an area of about 30,000 square meters from the first to the third floor of the "Nanguo Center Phase II" project from Hubei Nanguo Innovation Real Estate Co., Ltd. as a department store business base.	Development Ltd. were combined into a whole and

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
				operated externally under the name of "Grand Ocean Center"

Six. Review and Analysis of Financial Status and Financial Performance and Risk Issues

I Financial Situations

Currency: NTD (thousand)

Item	2023	2024	Increase, Decrease and Variation	
			Amount	Variation Ratio
Current Assets	2,146,578	2,037,348	(109,230)	(5.09)%
Property, Plant and Equipment	5,333,310	5,255,621	(77,689)	(1.46)%
Intangible Assets	1,590,718	1,673,410	82,692	5.20%
Other Assets	15,165,796	15,249,049	83,253	0.55%
Total Assets	24,236,402	24,215,428	(20,974)	(0.09)%
Current Liabilities	6,194,471	6,662,622	468,151	7.56%
Non-current Liabilities	12,969,130	12,766,499	(202,631)	(1.56)%
Total Liabilities	19,163,601	19,429,121	265,520	1.39%
Owner's Equity	5,072,801	4,786,307	(286,494)	(5.65)%
Share Capital	1,955,310	1,955,310	-	-
Additional Paid-in Capital	5,075,485	4,168,363	(907,122)	(17.87)%
Retained Earnings	(907,122)	(511,891)	395,231	43.57%
Other Equity	(1,050,872)	(825,475)	225,397	21.45%
Treasury Stock	-	-	-	-
Non-controlling Interest	-	-	-	-
Total Equity	5,072,801	4,786,307	(286,494)	(5.65)%

For those who have changed more than 20% in consecutive two periods, the explanation is as follows:

1. Retained Earnings: Due to the influence of the overall environment in China, the company's customers' willingness to consume is conservative, so the company incurred a loss in this period and retained earnings decreased. In 2023, due to the impairment of owned properties and trademark rights, the retained earnings decreased significantly compared with the current period.
2. Other Equity: Due to the significant change in exchange rate at the end of the period.

Impact of changes in financial conditions : No significant impact on financial position.

Future response plans : NA.

II Financial Performance

1. Analysis Table of Management Outcomes

Currency: NTD (thousand)

Item	2023	2024	Increase, Decrease and Variation	
			Amount	Variation Ratio
Operation Revenues	3,820,133	3,234,915	(585,218)	(15.32)%
Gross Profit	3,178,815	2,749,612	(429,203)	(13.50)%
Operation Profit or Loss	(240,065)	(121,278)	118,787	49.48%
Non-operation Income and Expense	(1,621,534)	(326,297)	1,295,237	79.88%
Earnings before Tax	(1,860,599)	(447,575)	1,414,024	75.96%
Current Net Profit of Continued Operating Unit	(2,083,996)	(511,891)	1,572,105	75.44%
Losses on Discontinued Unit	-	-	-	-
Current Net Income (Loss)	(2,083,996)	(511,891)	1,572,105	75.44%
Current Other Comprehensive Profit or Loss (Net Amount after Tax)	(98,451)	225,397	323,848	328.94%
Current Total Comprehensive Income	(2,182,447)	(286,494)	1,895,953	86.87%
Net Profit Attributed to Owner of Parent Company	(2,083,996)	(511,891)	1,572,105	75.44%
Net Profit Belongs to Non-controlling Interests	-	-	-	-
Total Amount of Comprehensive Income Attributed to Owner of Parent Company	(2,182,447)	(286,494)	1,895,953	86.87%
Total Amount of Comprehensive Income Belongs to Non-controlling Interests	-	-	-	-
Earnings per Share	(10.66)	(2.62)	8.04	75.42%

For those who have changed more than 20% in consecutive two periods, the explanation is as follows:

1. Operation Profit or Loss : Due to the influence of the overall environment in China, customers are conservative in their willingness to consume, performance is declining, but operating expenses cannot be reduced proportionally, resulting in an operating loss in 2024; in 2023, due to the recognition of losses from the closure of three stores in Wuhan and changes in rent for a store in Nanjing, the operating expenses were higher, so the profit and loss loss for this period in 2023 will be higher than that in 2024.
2. Non-operation Income and Expense : There will be a provision for impairment of owned properties and trademark rights in 2023, but no such provision in 2024
3. Earnings before Tax : Same as item 1 and 2.
4. Current Net Profit of Continued Operating Unit : Same as item 1 and 2.
5. Current Net Income (Loss) : Same as item 1 and 2.
6. Current Other Comprehensive Profit or Loss (Net Amount after Tax) : Same as item 1 and 2.
7. Current Total Comprehensive Income : Same as item 1 and 2.
8. Net Profit Attributed to Owner of Parent Company : Same as item 1 and 2.
9. Total Amount of Comprehensive Income Attributed to Owner of Parent Company : Same as item 1, 2 and 7.
10. Earning per share: Same as item 1 and 2.

2. Expected Sales Volume and the Basis Thereof

The company belongs to department store industry, therefore sales volume cannot be expected.

3. Possible Influence and Countermeasure of Future Financial Status of the company

The company sets future operating goals based on past operating performance and consumer preferences in different regions. As the target of the industry is end consumers, the company will pay attention to changes in market consumption at any time to improve sales performance and company profits. The possible impact on the company's future financial business and the response plan are detailed in V. Market and Production and Sales Overview - Market Analysis of Operation Overview of this Annual Report.

III Cash Flow

(I) Analysis on Variation of Cash Flow Last Year

Currency: NTD (thousand) ; %

Item \ Year	2023	2024	Increase (Decrease) Amount	Increase (Decrease) Ratio (%)
Operating Activities	1,251,054	558,406	(692,648)	(55.37)%
Investing Activities	(1,197,262)	104,426	1,301,688	108.72%
Financing Activities	(659,822)	(903,348)	(243,526)	(36.91)%

Analysis and Explanation on Variation of Increase/Decrease Ratio:

1. Operating Activities: In 2024, due to the influence of the overall environment in China, customers' willingness to consume is conservative, and performance is lower than last year, resulting in a decrease in cash inflow from operations.
2. Investing Activities: The main reason is the reduction in restricted deposits resulting from bank loans provided in 2024.
3. Financing Activities: The main reason is that no more short-term loans were added in 2024, resulting in a decrease in cash inflow

(II) Improvement plan on insufficient currency: NA.

(III) Analysis on Cash Currency within Next Year:

Currency: NTD (thousand)

Initial Cash Balance (1)	Cash Flow from Operating Activities throughout the Whole Year (2)	Net Cash Flow from Investment and Financing Activities throughout the Whole Year (3)	Cash Surplus (insufficient) Amount (1) + (2) + (3)	Estimated Cash Shortage Remedy	
				Investment Plan	Financing Plan
831,362	611,145	(836,419)	606,088	—	—

Analysis on Variation of Cash Flow:

Operating Activities: Mainly from cash inflow from operations.

Investing Activities: Mainly used for capital expenditures for store adjustments.

Financing Activities: Mainly for loan repayment.

The company's cash balance for 2024 is NT\$831,362 thousand, and the net cash flow from operating activities in the coming year is expected to be approximately NT\$611,145 thousand. The main cash outflows in the coming year are expected to be the renovation costs of each store and the repayment of bank loans.

Remedial measures and liquidity analysis for expected cash shortfalls: NA. °

IV Impact of major capital expenditures in recent years on financial operations: None.

V Reinvestment Policies in recent years, Main Reasons of Profit or Loss Thereof, Improvement Plan, as well as Investment Plan within Next Year

(I) Reinvestment Policies of the company

The company's investment policy is implemented in accordance with the internal control system "Investment Cycle" and "Procedures of Acquisition or Disposal of Assets". The main objectives of the investment project are to actively seek other suitable strategies for investment opportunities related to the basic business of the department store. As well

as expansion of the department store market map to increase the company's revenues, and create the profits.

(II) Main Reasons of the Profit or Loss by Reinvestment in recent years, and the Improvement Plan Thereof

Currency: NTD (thousand)

Company Invested	Shareholding Ratio (%)	Recognized Profit or Loss due to Investment Last Year	Main Reasons of Profit or Loss	Improvement Plan
GRAND CITI LTD.	100	(289, 822)	This is caused by the loss of the invested subsidiary in this period.	None
Sandmartin International Holding Limited	3.59	(5,947)	This is due to the heavy burden of interest expenses, rising supply chain costs, and increased depreciation expenses as the Nepal business initially entered the second phase of optical fiber network operations.	Cooperate with developers to improve factories and increase real estate value and real estate income. Actively develop new customers, control supply chain costs by order volume, and expect profits to increase when the supply chain is eased. Nepal's Internet business is striving to add fiber-optic users and is planning to go public.
Grand Ocean Classic Commercial Group Co., Ltd	100	(340, 468)	The company is affected by the overall environment in China and is still in the red.	None
Nanjing Grand Ocean Classic Commerce Limited	100	91, 952	The company is affected by China's overall environment, which affects consumers' shopping intentions and brand lineup, and faces fierce competition from its peers.	Actively upgrade and adjust the brand lineup and business structure, and actively attract investment.
Fuzhou Grand Ocean Commerce Limited	100	(133, 770)	The company is affected by China's overall environment, which affects consumers' shopping intentions and brand lineup, and faces fierce competition from its peers.	Actively attract investment, adjust brand structure, and realize overall operation as soon as possible.
Quanzhou Grand Ocean Commerce Limited	100	(2, 613)	The company is affected by China's overall environment, which affects consumers' shopping intentions and brand lineup.	The direction is to expand the experience format, reduce the traditional retail format, increase the catering and experience formats, and strive for overall operation.
Wuhan Grand Ocean Classic Commercial Development Limited	100	108, 538	The company is affected by China's overall environment, which affects consumers' shopping intentions and brand lineup.	Counter adjustments, brand upgrades, and active investment promotion are carried out to increase business formats to cater to young customers.
Wuhan Optics Valley Grand Ocean Commercial Development Limited	100	286, 785	The company is affected by China's overall environment, which affects consumers' shopping intentions and brand lineup.	Brand optimization and upgrading, high-end entry, to create a young and fashionable consumer experience shopping space.
Wuhan Hanyang Grand Ocean Classic Commercial Limited	100	132, 680	Offset part of the losses from store closures.	Closed.
Fuzhou Grand Ocean Classic Commerce Limited	100	(157, 109)	Some luxury brands did not renew their contracts, which had a significant impact on their performance, coupled with the impact of the opening of MixC.	Re-plan the brand lineup, plan the floor business composition, and actively attract investment.
Chongqing Optics Valley Grand Ocean Commercial Development Limited	100	83, 967	Offset part of the losses from store closures.	Closed.
Hengyang Grand Ocean Commercial Development Limited	100	(81, 543)	The company is affected by the overall environment in China, and consumers' shopping intentions and brand lineup have not yet been adjusted.	Actively attract investment and adjust brand lineup.
Yichang Grand Ocean Commerce Limited	100	128, 589	Good operating condition.	Optimize and upgrade the brand lineup to cater to young customers and create a gathering place for young customers.
Shanghai Jingxuan Business Administration Limited	100	(143)	Main business items to be determined	Plans to transform and operate the group's online shopping business.
Hefei Grand Ocean Classic Commercial Development Limited	100	39, 631	The operating conditions are good.	Actively adjust brands, introduce new brands, and maintain stable operation of existing brands. Combine online and offline to attract customers to the store.

Company Invested	Shareholding Ratio (%)	Recognized Profit or Loss due to Investment Last Year	Main Reasons of Profit or Loss	Improvement Plan
Shiyan Optics Valley Grand Ocean Commercial Limited	100	(48, 229)	The company is affected by the overall environment in China, which affects consumers' shopping intentions and brand lineup.	Reduce the proportion of retail, expand the catering experience format, and actively attract investment.
Fuzhou Jiaruixing Business Administration Limited	100	(5, 988)	The company is affected by the overall environment in China, which affects consumers' shopping intentions and brand lineup.	Increase the business categories of commercial blocks, enrich business formats, create a fashionable gathering place for young consumer groups, and introduce supporting and experience projects.
Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd	100	(180, 500)	The company is affected by the overall environment in China, which affects consumers' shopping intentions and brand lineup.	Continue to introduce high-quality curatorial art activities to create a more stable passenger flow. Support the retail format, actively attract investment, and increase business formats. As the shopping mall quickly enters its maturity stage, it will create more income in addition to rent, such as exhibition income, merchant management service income, etc., and further control operating costs.

(III) Investment Plan within Next Year:

Plan for store renovation: A budget of RMB 42.5 million is planned to be allocated for store renovation and refurbishment in 2025.

VI Analysis and assessment of risk issues in the most recent year and up to the date of publication of the annual report

(I) Influence of Interest, Exchange Rate Fluctuation, Inflation toward the company and the Countermeasure in the Future

1 Interest

The Group is exposed under the interest rate risk due to the loan of funds by a variable interest rate. Part of the risk is offset by cash and cash equivalence held at variable interest rates, as well as the higher-yielding wealth management products. As the company is a retailer, the cash flow from its operating activities is sufficient and there is no cash flow risk.

In 2018, the company has effectively reduced the foreign currency liabilities and appropriately increased RMB liabilities. The company's operating entities are in China, in addition to the natural hedging, the RMB liabilities can also be deducted from the income tax of an enterprise, with a tax shield effect.

2 Exchange Rate

The principal place of operation of the company is located in Mainland China. The sales outlets of the department stores in each region are the general consumers in Mainland China. The functional currency is the same as the currency denominated in the sales and purchase transactions. The functional currency of the mainland subsidiaries and The currency of the valuation is all in RMB, so there is no exchange rate risk.

In 2018, the company has effectively reduced the foreign currency liabilities and appropriately increased RMB liabilities, reaching the natural hedging of currency of borrowing and cash currency generated by operations, which will continue to reduce foreign currency liabilities and reduce exchange rate risk.

3 Inflation

As the company is a department store retailer, although inflation affects our consumers, whereas the China economy continues to grow and the income level of the people continues to rise, thus generating higher consumer demand and consumption power for the popular department store products shall be provided by the company. Also, the company is to adjust the department store product mix at any

time in response to changes in consumption environments. Therefore, it has not had an immediate and significant impact due to the above-mentioned inflation crisis, and the company maintains awareness of the global political and economic changes, market price fluctuations of end products, and good interaction between suppliers and customers. While maneuvering the procurement and marketing strategies, effective responding to the impact of inflation is also performed so that the company will not have a significant impact.

(II) Main Reasons of Profit or Loss for High-risk and High-leverage Investment, Capital Loans to Others, Policies of Endorsement/Guarantee and Derivative Commodity Trading, as well as the Future Countermeasure

The company has established methods such as “Procedures of Acquisition or Disposal of Assets”, “Procedures for Trading Derivative Commodities”, “Management of Endorsement and Guarantee” and “Operating Procedures of Loan to Others” to be as the relevance for concerning work of the company and its subsidiaries.

The company's policy is not to engage in derivative commodity transactions of a transaction nature.

Due to the needs of capital for the Group operations, the company has funds loan and endorsements/guarantees; and the company's handling of loans and external endorsements/guarantees are based on the company's “Operating Procedures of Loan to Others” and “Management of Endorsement and Guarantee”, and will be still handled in the future in accordance with the ‘Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies’ promulgated by the Taiwan competent authorities, and the internal control operation regulations and methods of the company .

(III) Future R&D Projects and the Expenses Input Thereof

The Group is a department store retailer, and there is no R&D and manufacturing of its own products. Therefore, there are no plans nor expenses for R&D. But, as far as the industry characteristics. The development and training of management personnel and the improvement of talent quality. Intensified competition in the department store industry. We will strengthen on human source and manpower development. Through education and training mechanisms. Providing systematic and professional service quality training courses for rising the efficiency of staff human source development.

(IV) Impact on Changes of Material Policies Domestic and Foreign and Laws on the Financial Status of the company and the Countermeasure Thereof

The country of registration of the company is the Cayman Islands and the main operating country is in mainland China. The Cayman Islands is dominated by financial services, while mainland China is one of the world's major economic systems, which its economic development and political environment remain stable. The products sold by the company belong to consumer goods, not licensed or restricted industries. The implementation of the company's various businesses are treated in accordance with the material domestic and foreign policies and laws, and the company shall pay attention to the development trends and changes amongst these policies and laws, and respond to any change in the market environments and take appropriate countermeasures immediately. In addition, due to the implementation of the Economic Substantive Law of the Cayman Islands in 2019, The company has no legal issues.

In addition, Hong Kong has always been one of the most popular cities for international investors, as its long-term operational advantage is based on a stable political environment, management policy convenient for commerce, laws of integrity and independent judicial system, also the spirit of free market, and fluent information. After returning to China in 1997, Hong Kong still maintains a high degree of autonomy and enjoys its own executive and legislative power. Its basic factors and advantages as an international business center continue to be maintained. It includes a clean

administrative system and judicial independence. Furthermore, the Hong Kong dollar is independent from the RMB currency system. Freely convertible, with some fair competition environments, and no restriction on foreign investment. Capital, talent, goods and information can flow freely in Hong Kong. However, Hong Kong is now a special administrative region of China, and its political and economic development direction and risks will be affected by China's policy.

(V) Influence on Financial Status of the company by Technology Change (including information security risks) and Industry Variance and the Countermeasure Thereof

Today's physical business is still the same physical business, but the market environment has changed. In the past, we cared about to which area has more traffic and where users have more consumption potential. But now, consumption is boundary-free, how to use better experience and better service to retain consumers and meet consumers' in-depth needs is the key to obtain the added value. When consumers born in the 80s, 90s and even 2000s are used to the online life, the offline consumption must reflect the uniqueness and cares one level deeper to attract them. This requires higher capability for the story creation and scenario presentation of shopping centers. In recent years, we have actually witnessed the "power of scenarios" in business. The scenario creation has brought topics, traffic, and spontaneous communication to business...so that whoever comes here have an immersive sense of substitution, and all of these are finally transformed into the value increment of projects that becomes the real purchasing power and consumption power. The scenario power empowered by technologies has the competitive advantage more durable. In the era of experiential and immersive consumption, the attractiveness of traditional mainstream stores declines, and immersive experience is becoming the commercial "guests of honor" due to advantages such as their strong ability to attract customers and drive them. The immersive experience empowered by technologies, relying on its own strong technological effect, is becoming the engine of customer traffic for many offline businesses, attracting customer traffic and gathering popularity. While the online platform is not a core sales scenario of shopping malls and department stores, the sales volume is the ultimate closed-loop data. By expanding the two channels of online business + offline business, the sales data also show the effect of 1+1=2.

The company has been committed to a full range of system integration, for the corresponding adjustment of the competitive environment faced by each store, towards the mall shopping center, in order to consolidate and expand the local market share, as well as establish product differentiation, and further introduce the business pattern and brands pursuant to the consumer habits. At the beginning of 2017, the company actively cooperated with China e-commerce companies and other industries. At present, all the stores of the Group have realized the support of QQ wallet, WeChat payment, Alipay, ApplePay, Quick Pass, JD Wallet and other mainstream electronic mobile payment fully in China. On the other hand, the Group has successfully cooperated with the companies such as JD, Meituan, Baiwang, Weimeng to expand the business and develop WeChat E-membership Cards and electronic invoices. By expanding the company's visibility and influence among young people, it advances toward the data department store, and expands the new smart consumer fashion market. In 2020, the "Boundary-Free Retail Sales Department" was established to integrate the Group's online and offline channels. During the process of the Group's digital transformation, the membership system was upgraded, and the data analysis app was launched to further enhance the intellectualization construction for incorporating omnichannel and all platforms to improve the shopping experience of members. Online sales has accounted for more than 30% of the current operating revenue, a satisfactory performance of online business. The Boundary-Free Sales Department will be upgraded to the company's micro-mall in 2023, for better enabling the consumers to shop conveniently, and the

market analysis and evaluation by the company. The above is the impact of technological changes and industrial changes on the financial business of the group.

In terms of information security risks and computer-related information security protection measures, the Group has established comprehensive information security protection mechanism. However, it cannot guarantee the complete prevention from third-party attacks to crash critical corporate system. When a severe attack occurs, the system may not be operational, which will lead to operational interruptions. Therefore, rapid system recovery is of the utmost importance. Apart from keeping investments in information security devices and software, the company also continually strengthens system recovery mechanism. These measures include maintaining the continuous operation of the information system, preventing hackers and various viruses from invading and destroying, preventing unauthorized or using data and systems, regularly performing information security audits, ensuring the implementation of information security, personnel management and information security education and training, etc.

(VI) Influence in Enterprise Crisis Management by Change of Enterprise Image and the Countermeasure Thereof

The company's business objectives are based on the principles of stability and honesty. The company's image is good, and therefore it continues to introduce more outstanding talents into the services, thickening the strength of our management team, and then return the operating outcomes to the public, responding our CSR policies. As of now, there is no change of enterprise image to cause the crisis.

(VII) Expected Benefits, Possible Risks and Countermeasures for Consolidation

Lastest year, and as of the date of publication of Annual Report, there is no consolidation plan by the company.

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

The company is a department store retailer but not a manufacturer, hence there is no need to expand the plants. In addition, the plans for the expansion of department stores are subject to detailed assessment and planning by relevant units, and the expected benefits and possible risks are fully assessed by the financial module. After the establishment of the new business base, the relevant units will pay close attention to the changes and operating conditions of the industry, proposing appropriate response measures for possible risks.

(IX) Risks and Countermeasures for the Concentration of Incoming Goods or Sales

The company belongs to the department store retail industry. The sales of goods are diversified, and there is no centralized purchase or sale of goods to a single manufacturer or customer. Therefore, there is no risk of concentration of goods or sales.

(X) Regarding the Directors or shareholders holding more than 10% of the shares, the impact, risk and countermeasure of a large number of shares transferred or replaced on the company: None.

(XI) Impact, Risks and Countermeasures of Changes in Management Rights on the company

Lastest year, and as of the date of publication of Annual Report, the company has no changes in the management rights, and the company has strengthened various corporate governance measures and established the Independent Directors with a view to enhancing the protection of the overall shareholders' equity.

(XII) Litigation or Non-litigation Events

- 1 Lastest two years, and as of the date of publication of Annual Report, any event of litigation, non-litigation or administrative litigation that has been determined or currently in the system, where the results may have a significant impact on shareholders' equity or securities prices, and should be disclosed of the facts, amount of the subject matter, commencement date of the lawsuit, parties involved in the proceedings and the current situation thereof:

- (1) Grand Ocean Classic Commercial Group Co., Ltd, Chongqing Optics Valley Grand Ocean Commercial Development Limited and Chongqing Zhengsheng Real Estate Co., Ltd. real estate lease contract dispute:

Because Grand Ocean unilaterally closed the store and withdrew from the Chongqing market, the owner of the Chongqing store, Chongqing Zhengsheng Real Estate Co., Ltd., filed a lease contract dispute lawsuit with the Fifth Intermediate People's Court of Chongqing, listing the Chongqing store and Grand Ocean Group as co-defendants. The lawsuit requested: 1. Require Grand Ocean to pay a penalty of RMB 28,285,000 for early termination of the contract in accordance with the lease. On September 19, 2024, according to the first-instance judgment of the court, the overestimated early termination penalty was reversed; 2. Grand Ocean was required to pay the rent and penalty owed in previous years until the clearance date, totaling RMB 25,548,000. On September 19, 2024, in accordance with the first-instance judgment of the court, the overestimated rent and liquidated damages were reversed; 3. Grand Ocean was required to pay the rent, liquidated damages and occupancy fees of the venue occupied by Dadi Cinema from the date of the clearing point to the date of litigation, totaling RMB 4,618,000. However, Grand Ocean had already transferred the venue by notarized mail on the date of the clearing point, and it was no longer possible to use the leased object. Therefore, it was believed that Chongqing Zhengsheng's request was unfounded and it should have no obligation to compensate. According to the first-instance judgment of the court on September 19, 2024, the merged company should pay RMB 2,668,000 for the demolition and occupation fees of the Dadi Cinema, and compensation has been provided; 4. It requires Grand Ocean to return the rent concessions, liquidated damages and related litigation costs totaling RMB 8,204,000 in previous years. However, the rent concessions in previous years have been compensated in accordance with the agreement. Therefore, Grand Ocean believes that Chongqing Zhengsheng's request is unfounded and should have no obligation to compensate. According to the first-instance judgment of the court on September 19, 2024, the merged company should pay site restoration fees and related litigation costs totaling RMB 731,000, and compensation has been provided for.

After evaluation by Grand Ocean, the above-mentioned amounts have all been included in the accounts in accordance with the court's first-instance judgment. However, Chongqing Zhengsheng was dissatisfied with the court's decision and appointed a lawyer to appeal. Later, on November 21, 2024, the court's second-instance judgment upheld the result of the first-instance judgment. Grand Ocean reached a settlement with Chongqing Zhengsheng on December 30, 2024. As of December 31, 2024, the remaining amount of RMB23,820,000 has not been paid and has been included in the accounts of Grand Ocean.

- (2) Dispute between Grand Ocean Classic Commercial Group Co., Ltd., Wuhan Hanyang Grand Ocean Classic Commercial Co., Ltd. and Wuhan Commerce State-owned Holding Group Co., Ltd.:

Because Grand Ocean unilaterally closed the store and withdrew from the Wangjiawan business district in Wuhan, the owner of the Hanyang store, "Wuhan Commerce State-owned Holding Group Co., Ltd.", filed a lease contract dispute lawsuit with the Hanyang District People's Court of Wuhan City, listing the Hanyang store and Grand Ocean Group as co-defendants. In January 2024, the plaintiff's updated lawsuit request 1. Grand Ocean should pay the arrears of rent and the early termination penalty of RMB 45,507,000;

and the performance guarantee deposit of RMB 5,000,000 will not be returned. On June 14, 2024, in accordance with the first-instance judgment of the court, an additional estimate was made for the rent of RMB 3,413,000 for September 2023, as well as a penalty of RMB 5,000,000 for early termination of the contract to reverse the overestimate; 2. Grand Ocean was required to pay the rental loss of RMB 7,585,000 for the vacancy of the leased property due to the early termination of the lease. According to the first-instance judgment of the court on June 14, 2024, the merged company has no obligation to pay compensation; 3. Require Grand Ocean to return the rent and liquidated damages of previous years totaling RMB 19,170,000. According to the first-instance judgment of the court on June 14, 2024, Grand Ocean has no obligation to pay compensation, so the aforementioned provisions will be reversed; 4. The merged company is required to return the rent of RMB 4,791,000 for the five months of rent-free period in previous years. According to the first-instance judgment of the court on June 14, 2024, the merged company has no obligation to pay compensation; 5. The merged company is required to pay the cost of not demolishing the fifth-floor cinema and related litigation costs totaling RMB 2,342,000. According to the first-instance judgment of the court on June 14, 2024, Grand Ocean should pay litigation costs of RMB 291,000, and the compensation funds have been fully provided for.

After evaluation by Grand Ocean, the above-mentioned amounts have all been included in the accounts in accordance with the first-instance judgment of the court. However, Wuhan Commerce was dissatisfied with the court's decision and appointed a lawyer to appeal. Later, on September 29, 2024, the court's second-instance judgment upheld the result of the first-instance judgment. Grand Ocean reached a settlement with Wuhan Commerce on December 2, 2024. The Ocean Group has already provided for sufficient expenses in connection with the subject matter of the litigation.

- (3) Wuhan Hanyang Grand Ocean Classic Commercial Co., Ltd. and Wuhan Laopai Catering Management Co., Ltd. lease contract dispute (arbitration case):

Wuhan Hanyang Grand Ocean Classic Commercial Co., Ltd. ceased operations on August 31, 2023 due to continued operating losses, and terminated the lease with the brand owner Wuhan Laopai Catering Management Co., Ltd. (hereinafter referred to as Laopai Company) in advance. Therefore, Laopai Company filed an arbitration request on December 20, 2023, requiring Grand Ocean to return the performance guarantee and pay the early termination penalty, decoration losses and related litigation costs totaling RMB 6,101,000. On October 12, 2024, according to the arbitration ruling, Grand Ocean should compensate Laopai Company for the above-mentioned expenses totaling RMB 5,485,000, which Grand Ocean has already estimated and included in the accounts.

- 2 Directors, Supervisors, GMs, substantive principals of the company, as well as major shareholders and subordinate companies with a shareholding ratio of more than 10%, litigations, non-litigations or administrative litigations that have been decided or are currently in the system in the last two years and as of the date of publication of Annual Report, where the results may have a significant impact on the company's shareholders' equity or securities prices: None.

- (XIII) Other Material Risks and the Countermeasure Thereof
1 Protection of Shareholder Equity

There are many different regulations between the Cayman Islands Company Law and the ROC Company Act. Although the company has amended the Articles of Incorporation in accordance with the “Checklist for the protection of shareholders' rights and interests in the country where the foreign issuer is registered” as stipulated by the Taiwan Stock Exchange Co., Ltd. Whereas there are many diversities of the local laws and regulations for the company operation in the two countries. Investors cannot guarantee the point of view by via the legal rights of the local companies in Taiwan, and the same application to the Cayman Islands is ditto.

2 Distribution of Cash Dividends and Tax

The company is a holding company established in the Cayman Islands, where its mainly profit comes from the operations of its subsidiaries. Distribution of dividends of the company will be affected by the operation status of the subsidiaries, policies of cash dividends and retained earnings. While distribution of dividends of the subsidiaries is subject to dividend distribution of local government, taxation and exchange rate regulations or other restrictions.

VII Other Material Items: None.

Seven. Special Notation

I Concerning Information of Associates

(一) Consolidated financial statements of related enterprises

The consolidated financial statements of related enterprises are prepared in the same manner as the annual financial reports, and a statement has been issued in the annual financial reports (see page 3 of the financial reports for details).

Please see the path map index for details: Public Information Observatory >> Single Company >> Electronic Document Download >> Financial Reports, Three Books and Tables for Related Enterprises. <https://mops.twse.com.tw/mops/#/web/home>

(二) Merger business report of related enterprises

(I) Organization Chart of Associates (as of Dec 31, 2024) : Please refer to III. Group Structure (page 6)

(II) Basic Information of Associates

Dec 31, 2024 ; Currency: NTD (thousand)

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business Scope
Grand Citi Limited	2007.10.26	15/F.,BOC Group Life Assurance Tower, 136 Des Voeux Road Central , Central, Hong Kong	HKD1,040,000	Investment Holding Company
Sandmartin International Holding Limited	2004.01.27	Unit 04-05, 16/F., Nam Wo Hong Building, No. 148 Wing Lok Street, Sheung Wan, Hong Kong	HKD 492,161	Manufacturing of Satellite TV Equipment and Devices, as well as Trading of Other Electronic Products
Grand Ocean Classic Commercial Group Co., Ltd	2002.05.21	No. 1 of Leye Street, Xigang District, Dalian City	RMB850,000	Department Store Retail, Internet Sales, Management and Consulting, Non-Residential Real Estate Lease
Grand Ocean Classic Commercial Group Co., Ltd Shanghai Nanjing West Road Branch	2006.12.07	Room 04-06, 27F of No. 338, West Nanjing Road, Huangpu District, Shanghai City	-	Department Store Retail, Internet Sales, Management and Consulting
Nanjing Grand Ocean Classic Commerce Limited	2002.08.15	No. 122 of South Zhongshan Road, Baixia District, Nanjing City, Jiangsu Province, China	RMB50,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Non-Residential Real Estate Lease, Property Management
Nanjing Grand Ocean Classic Commerce Limited Jiangbei Branch	2010.12.13	Building C1 of Huadong Mall, No.48 of North Daqiao Road, Jiangbei New District, Nanjing City, Jiangsu Province, China	-	Department Store Retail, Commercial Investment, Catering Services, Food Business, Internet Sales, Management and Consulting, Non-Residential Real Estate Lease, Property Management
Fuzhou Grand Ocean Commerce Limited	2002.06.21	No.133 of North Baiyiqi Road, Gulou District, Fuzhou City, Fujian Province, China	RMB70,000	Department Store Retail, Commercial Investment, Internet Sales, Management and

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business Scope
				Consulting, Commercial Complex Management Services, Non-Residential Real Estate Lease, Property Management
Quanzhou Grand Ocean Commerce Limited	2003.01.02	Fuhua Business Center, Wenling Road, Fengze District, Quanzhou City, Fujian Province, China	RMB20,000	Department Store Retail, Commercial Investment, Management and Consulting, Commercial Complex Management services, Non-Residential Real Estate Lease, Property Management
Wuhan Grand Ocean Classic Commercial Development Limited	2004.09.27	No.756 of Zhongshan Avenue, Jiangnan District, Wuhan City, Hubei Province, China	RMB50,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Venue Rental, Property Management
Wuhan Optics Valley Grand Ocean Commercial Development Limited	2007.07.05	Room 101, Zone 1, No. 3 of Optics Valley Street, Optics Valley World, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China	RMB20,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Venue Rental, Property Management
Wuhan Hanyang Grand Ocean Classic Commercial Limited(In liquidation process)	2008.07.09	No. 36 of Longyang Avenue, Hanyang District, Wuhan City, Hubei Province, China	RMB20,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Venue Rental, Property Management
Fuzhou Grand Ocean Classic Commerce Limited	2006.11.28	No. 268 of North Baiyiqi Road, Gulou District, Fuzhou City, Fujian Province, China	RMB50,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Non-Residential real Estate Lease, Property Management
Chongqing Optics Valley Grand Ocean Commercial Development Limited(In liquidation process)	2008.03.10	No. 25-18 and No. 25-19, Building 4, 68 Yangzheng Street, Jiulongpo District, Chongqing, China.	RMB170,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Venue Rental, Property Management
Hengyang Grand Ocean Commercial Development Limited	2009.08.03	No.121 of Jiefang Road, Yanfeng District, Hengyang City, Hunan Province, China	RMB20,000	Department Store Retail, Commercial Investment, Internet Sales, Management and

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business Scope
				Consulting, Commercial Complex Management Services, Real Estate Lease, Property Management
Yichang Grand Ocean Commerce Limited	2010.09.19	No.56 of Yiling Avenue, Yichang City, Hubei Province, China	RMB20,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Venue Rental, Property Management
Hefei Grand Ocean Classic Commercial Development Limited	2011.6.24	Tower C, No.189 of West Changjiang Road, Shushan District, Hefei City, Anhui Province, China	RMB20,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Venue Rental, Property Management
Shiyan Optics Valley Grand Ocean Commercial Limited	2017.7.18	Room 5-1, No.1 of Middle Chaoyang Road, Maojian District, Shiyan City	RMB20,000	Department Store Retail, Commercial Investment, Internet sales, Management and Consulting, Commercial Complex Management Services, Housing Lease, Property Management
Shanghai Jingxuan Business Administration Limited	2017.11.24	Room 03, 27F, No.338 of West Nanjing Road, Huangpu District, Shanghai City	RMB10,000	Enterprise Management, E-commerce
Fuzhou Jiaruixing Business Administration Limited	2017.11.14	Floor B1, Dongjiekou Underground Commercial Street, 88 Baiyiqi North Road, South Street, Gulou District, Fuzhou	RMB5,000	Department Store Retail, Non-Residential Real Estate Lease, Property Management, Merchandising and Consulting, Internet Sales
Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd	2018.09.20	Room L4F-28, No. 600 Moganshan Road, Putuo District, Shanghai	RMB50,000	Business management and consulting, non-residential real estate leasing, property management, commodity sales, Internet sales
Wuhan Grand Ocean Classic Commercial Development Co., Ltd. Xunlimen Branch	2023.08.24	No. 1381 Jiefang Avenue, Jiangnan District, Wuhan City, Hubei Province, China	RMB1,000	Department store retail, commercial investment, Internet sales, management and consulting, commercial complex management services, housing leasing, property management

(III) Personal Information of Directors, Supervisors and GMs of Each Associate

Company Name	Title	Name or Representative	Number of Shares	
			Shares	%
Grand Citi Limited	Director	Kuo Jen Hao	Non-shareholding system	100.00%
	Director	Ng Qing Hai		
	Director	Lee Seng Chay		
Grand Ocean Classic Commercial Group Co., Ltd	Chairman	Ng Qing Hai	Non-shareholding system	100.00%
	Director	Lee Seng Chay		
	Director	Zhang Jin Guo		
	Supervisor	Lu Fang		
	General manager	Ng Qing Hai		
Nanjing Grand Ocean Classic Commerce Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Zhang Jin Guo		
Fuzhou Grand Ocean Commerce Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Zhang Jin Guo		
Quanzhou Grand Ocean Commerce Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Zhang Jin Guo		
Wuhan Grand Ocean Classic Commercial Development Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Tian Xin		
Wuhan Optics Valley Grand Ocean Commercial Development Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Tian Xin		
Wuhan Hanyang Grand Ocean Classic Commercial Limited(In liquidation process)	Executive Director	Gan Fan	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Tian Xin		
Fuzhou Grand Ocean Classic Commerce Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Zhang Jin Guo		
Chongqing Optics Valley Grand Ocean Commercial Development Limited (In liquidation process)	Executive Director	Gan Fan	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Tian Xin		
Hengyang Grand Ocean Commercial Development Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	Executive Director	Tian Xin		
Yichang Grand Ocean Commerce Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Tian Xin		
Hefei Grand Ocean Classic Commercial Development Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		

Company Name	Title	Name or Representative	Number of Shares	
			Shares	%
	General manager	Zhang Jin Guo		
Shiyan Optics Valley Grand Ocean Commercial Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Yuan Hanying		
Shanghai Jingxuan Business Administration Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Li Min Fang		
	General manager	Chuang Chow Shown		
Fuzhou Jiaruixing Business Administration Limited	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Zhang Jin Guo		
Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Zhang Jing		
	General manager	Huang Jing sheng		
Sandmartin International Holding Limited	Chairman and Independent Non-Executive Director	Kuo Jen Hao	44,197,255	3.59%
	Executive Director	Hong Cong Jin		
	Executive Director	Chen Wei Jun		
	Independent non-executive director	Lu Ming Xuan		
	Independent non-executive director	Chen Wei Hui		
	Independent non-executive director	Wu Jia Ming		

(IV) Operation Situations of Each Associate

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operation Revenues	Operating Income (Loss)	Current Income or Loss	Earnings per Share (NTD)
Grand Citi Limited	4,438,720	8,357,650	17,738	8,339,912	0	(2,392)	(289,822)	(0.28)(註 1)
Grand Ocean Classic Commercial Group Co., Ltd	3,931,940	7,275,942	624,794	6,651,148	3,234,915	(84,054)	(340,468)	NA
Nanjing Grand Ocean Classic Commerce Limited	216,796	4,614,478	2,751,435	1,863,043	801,996	(110,027)	(130,536)	NA
Fuzhou Grand Ocean Commerce Limited	303,514	2,436,311	419,717	2,016,594	62,448	(61,239)	(729,692)	NA
Quanzhou Grand Ocean Commerce Limited	86,718	1,598,217	1,482,766	115,451	31,238	(45,801)	(449,089)	NA
Wuhan Grand Ocean Classic Commercial Development Limited	216,796	5,158,041	3,558,195	1,599,846	768,262	49,951	(736,304)	NA
Wuhan Optics Valley Grand Ocean Commercial Development Limited	86,718	3,452,692	2,108,186	1,344,506	647,961	127,469	(316,004)	NA
Wuhan Hanyang Grand Ocean Classic Commercial Limited	303,514	62,056	372,924	(310,868)	116,885	(34,034)	(123,128)	NA
Fuzhou Grand Ocean Classic Commerce Limited	216,796	1,704,044	1,546,974	157,070	168,085	(96,971)	(112,112)	NA
Chongqing Optics Valley Grand Ocean Commercial Development Limited	737,106	104,410	639,917	(535,507)	(702)	(55,382)	(68,268)	NA
Hengyang Grand Ocean Commercial Development Limited	86,718	165,347	428,734	(263,387)	29,707	(78,431)	(101,654)	NA
Yichang Grand Ocean Commerce Limited	86,718	2,095,307	1,842,104	253,203	474,667	256,923	161,944	NA
Shanghai Jingxuan Business Administration Limited	43,359	34,004	0	34,004	0	(126)	(111)	NA
Hefei Grand Ocean Classic Commercial Development Limited	86,718	1,600,631	1,394,885	205,746	288,132	96,499	43,168	NA
Shiyan Optics Valley Grand Ocean Commercial Limited	86,718	161,077	372,387	(211,310)	61,246	(51,208)	(81,591)	NA
Fuzhou Jiariuxing Business Administration Limited	21,680	360,675	579,271	(218,596)	55,245	(23,673)	(19,077)	NA
Shanghai Grand Ocean 1,000 Trees Commercial Management Co., Ltd	216,796	5,296,474	5,644,343	(347,869)	413,146	(25,616)	(187,915)	NA

Note 1: The company owns 1,040,000,000 shares of Grand Citi Ltd., HK\$1 per share.

(V) Relationship report: NA.

- II Last year, and as of the date of publication of Annual Report, treatment of the private placement of securities: None.
- III Last year, and as of the date of publication of Annual Report, acquisition or disposal of the stocks of the company by its subsidiaries: None.
- IV Other Necessary Supplementary Descriptions

Due to the slight inconsistency between the Cayman Islands Act and the ROC Act, the “Check Sheet for the Protection of Shareholders Rights and Interests of Foreign Issuers” (hereinafter referred to as “PSR”) amended by the Taiwan Stock Exchange on Jan 9, 2023 is not applicable to the company. The following list explains the differences between the Articles of the company and the protection matters of shareholders rights as stipulated by the Cayman Islands Act and the Articles of the company, respectively.

Difference	Cayman Island Laws and Descriptions	Article Regulations and Descriptions
If the shareholders continue to hold more than one year and	No relevant local competent authorities in the Cayman	According to the contents of TWSE Letter Shang

Difference	Cayman Island Laws and Descriptions	Article Regulations and Descriptions
<p>hold more than 3% of the total number of issued shares, they may request the board of directors to convene a temporary meeting of shareholders; when the directors are not convened, the shareholders may report to the competent authority for permission to convene themselves.</p>	<p>Islands are to be authorized to coordinate the Shareholders Meeting.</p>	<p>No.0991701319 issued by the Taiwan Stock Exchange Corporation on April 13, 2010, that there is not any reference or description of “shareholder must submit for ratification from competent authorities” regarding the convention of shareholders meeting by minority shareholders in Article 28 and 29, shareholders have to coordinate the meeting on their own when a notice is released that the Board will not coordinate the meeting thereof.</p>
<p>Shareholders who exercise their voting rights in writing or electronically are deemed to attend the Shareholders Meeting in person.</p>	<p>Whereas according to the Cayman Islands Act, written voting or electronic voting by a shareholder cannot be considered as attending in person. Therefore, attorneys of the Cayman Islands suggest that under this circumstance, it should be deemed to authorize the chairman of Shareholders Meeting to execute the voting right, whereas the authorization to the chairman of Shareholders Meeting is not subject to the limitation of where 3% of the representative rights cannot be exceeded.</p>	<p>Articles 55, 57, and 58 of the Articles of Incorporation: When the shareholders exercise their voting rights in writing or in electronics with the consent through the Board, they shall be deemed to have acted as the representative designated of the chairman of Shareholders Meeting, where the voting rights by the shares thereof shall be exercised based on the instructions indicated in the written or electronic files. Representative rights thereupon acquired by the chairman of Shareholders Meeting will not be subject to the limitation that the voting rights by representative should not exceed 3% of the voting rights by the total shares of the company. The shareholders still have to appoint other persons to attend the Shareholders Meeting as his/her representative, which is deemed to revoke its appointment to the chairman of Shareholders Meeting as a representative thereof.</p>
<p>Regarding the regulations in “Regulations Governing the</p>	<p>The Cayman Islands Act does not require the relevant</p>	<p>According to concepts in TWSE Letter Shang</p>

Difference	Cayman Island Laws and Descriptions	Article Regulations and Descriptions
<p>Use of Proxies for Attendance at Shareholder Meetings of Public Companies,” for example, qualification of the power of attorney, number of shares by representative which are not restricted, method of solicitation, announcement of the solicitation, contents, and related restrictions, etc.</p>	<p>provisions of the power of attorney and, based on the recommendations from the layers of Cayman Islands, considering the consistency, integrity and clarity of the Articles of Incorporation of the company, ‘Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies’ is to be conducted and applied. The regulations define the way in which the power of attorney will be used after listing in Taiwan in the future, and this amendment is not in violation of the Cayman Islands Act.</p>	<p>No.0991701319 issued by the Taiwan Stock Exchange Corporation on April 13, 2010, Article 59 of the Articles of Incorporation supersedes the detailed provisions on the use of power of attorney in the protection of shareholders rights and interests in the general terms: “Under the prerequisite of the scope of the applicable laws, as well as in compliance with the provisions of the Articles of Incorporation and the company Act, the designated representative of the shareholder will attend the Shareholders Meeting. Any relevant provision of the ‘Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies’ shall also be applicable. .”</p>
<p>Definition of “Special Resolution”: Shareholders representing more than two-thirds of the total number of issued shares shall be present, and will have the special resolution ratified by at least half of the attending shareholders. If the total number of shares of the attending shareholders is less than the amount described in the preceding paragraph, the representatives must attend the meeting on behalf of the shareholders who own more than 50% of the total issued shares, and to ratify the special resolution through at least two-thirds of the voting rights by the attending shareholders.</p>	<p>The special resolution defined by the Cayman Islands Act is a resolution made by the shareholders who have voted “consent for at least two-thirds of the total number” of shareholders. Protection matters regarding the shareholder’s rights stipulated as “more than two-thirds of the total number of issued shares of shareholders attendance, and at least half of the voting rights representing the attending shareholders are of consent” where only the part of “at least half of the voting rights representing the attending shareholders are of consent” in the preceding paragraph does not comply with the definition of special resolution due to the Cayman Islands Act.</p>	<p>According to concepts in TWSE Letter Shang No.0991701319 issued by the Taiwan Stock Exchange Corporation on April 13, 2010, as well as the comments from the attorneys of Cayman Islands, definition of the proportion of special resolution stipulated in Article 1 of the Articles of the company is to be amended, and only to adopt the latter segment of descriptions “more than half of the shareholders attending, and a special resolution is to be ratified by at least two-thirds of the voting rights by the attending shareholders” from the special resolution listed in the protection matters of shareholder equity.</p>

Eight. Last year, and as of the date of publication of Annual Report, any material influence upon the shareholders equity or securities price defined in Article 36.3.2 in the Securities Exchange Act: None.

GRAND OCEAN RETAIL GROUP LIMITED



Chairman : Kuo Jen Hao





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Address : Room 04-06, 27F of No. 338, West Nanjing Road,
Huangpu District, Shanghai City

TEL : +86-21-6102-7800

