Grand Ocean Retail Group Limited 5907

GRAND OCEAN RETAIL GROUP LIMITED

2025 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
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Deputy Spokesman	Shiu Jin Yi	Manager	(02)2707-8833	IR@grandocean.com.cn
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.

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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

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

Tel:(02) 8101-6666

V 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

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

VII Company Website: http://www.grandocean.com.tw ; http://www.grandocean.com.cn

VIII **Directors of Board**

Title	Name	Nationality	Main Education and Work Experience
Chairman	First Steamship S.A Representative：Lee Eng Leong	MY	Asia Pacific Finance Director of Microsoft； Independent Director of Thriven Global Berhad；Chairperson of Trinity Gold Limited
Director	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

Title	Name	Nationality	Main Education and Work Experience
Director	First Steamship Company Ltd Representative：Ng Qing Hai	HK	Management Consulting Program at the French Graduate Business School. Certified Public Accountant of China. Director, CFO, Deputy chairman and GM of Shanghai Allied Cement Limited. Managing Director of Allied Cement Holdings Limited Executive director, Managing Director of CHIANVISION MEDIA 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

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One. Report to Shareholders

To Every Shareholder:

In 2025, the global economy will struggle to move forward amidst adjustments in the interest rate cut cycle, still facing pressure from uneven growth. Monetary policies of major economies will diverge, with the interest rate cut cycle gradually nearing its end, and the economic gap between developed and developing countries continuing to widen. Inflationary pressures that persisted in many countries in 2024 will gradually cool in 2025 but will not completely disappear. The Federal Reserve's interest rate cuts and subsequent monetary policy direction will continue to have a significant impact on the global economy. In China, the economy will forge ahead under pressure, moving towards new and better development, and is in a period of deepening structural adjustment and optimization and the transformation of old and new growth drivers. The transition between traditional and emerging growth drivers will continue to accelerate. By the fourth quarter, the overall consumer confidence index was 103.3, up 8.6% year-on-year and 7.5% quarter-on-quarter. Price confidence, investment confidence, and housing confidence remained relatively stable year-on-year, but economic development confidence, employment confidence, and life confidence rebounded slightly year-on-year, while investment confidence maintained a significant positive trend quarter-on-quarter. Faced with such a complex, volatile, and uncertain external environment, Grand Ocean failed to achieve its expected business targets, but it persevered through difficulties and withstood multiple pressures, still achieving phased results and progress.

Affected by the downward pressure on the macroeconomy, brands' willingness to withdraw from stores to avoid risks has increased significantly, posing severe operational challenges to all stores. Faced with the impact of brand withdrawals, stores proactively intensified their efforts to attract new tenants, actively promoting the replacement of vacant spaces through targeted measures such as connecting with high-quality brands and optimizing recruitment policies, striving to stabilize operations. A total of 363 new brand spaces were added throughout the year, with a new recruitment area of 56,800 square meters. Core stores continued to maintain full occupancy, effectively consolidating their operational foundation. Significant progress was made in attracting new tenants and addressing vacancy issues. The total vacant space decreased by 6,968 square meters throughout the year, and the vacancy rate dropped to 11.1%, successfully resisting the operational pressure brought by brand withdrawals and achieving steady improvement in store operations.

To further enhance the attractiveness of our stores and drive customer traffic growth, we have focused on experiential businesses in our selection of tenants, precisely introducing diverse experiential categories such as anime, family activities, and fitness, creating differentiated business scenarios, forming a virtuous cycle of business operations, and becoming the core driver of the group's customer traffic growth.

Each store, based on its own positioning, has created unique experiential scenarios: Fuzhou 1 Store opened its third "Trendy Box X118" nationwide, transforming the underground street into a core gathering place for ACG (Anime, Comics, and Games) culture in Fuzhou, accurately capturing young customers; 1000 Trees Store saw a significant increase in customer traffic after the opening of the MINIMARS children's playground, successfully building a virtuous cycle of "high-quality business formats → increased customer traffic → brand aggregation". Recently, it successfully introduced the "MINISO flagship store", leveraging its leading IP trendy toy resources to strongly attract customers, and collaborating with OCE and Zawushe to create a strong commercial atmosphere for young customers on the entire L floor, becoming a model of synergistic development of experiential business formats; Hefei Store focused on strengthening the small food and beverage business format on the B1 floor, achieving the highest sales per square meter in the group, realizing a dual improvement in business format layout and operating efficiency.

The diversified layout of experiential businesses has effectively driven the group's continued growth in customer traffic. In 2025, the group's total customer traffic reached 80.52 million visits, a year-on-year increase of 21.4% compared to 2024. Among them, the Hefei store, with its enhanced catering business and the introduction of the first store in Anhui, and the Fuzhou underground street, relying on the precise combination of subway commercial scene and ACG (Anime, Comics, and Games) business, performed particularly well in terms of customer traffic, ranking first and second in the group with total customer traffic of 11.86 million and 10.95 million visits respectively. This directly demonstrates the powerful aggregation and driving effect of experiential consumption on customer traffic.

Focusing on key marketing moments, the Group has partnered deeply with the Meituan platform to conduct a series of joint online and offline marketing activities. These efforts precisely targeted consumer demand, effectively boosting brand exposure and sales conversion, and further solidifying brand influence. During the mid-year celebration in May, we launched joint online events and conducted a large-scale self-broadcast, while simultaneously holding a large-scale themed market offline, creating a multi-dimensional marketing momentum and achieving seamless integration and synergistic effects between online and offline traffic. During the anniversary celebration in October, the Group and Meituan jointly launched the "Super Coupon MALL" campaign, which ran online until the end of the year, while simultaneously completing the display of themed materials offline, continuously creating a strong brand consumption atmosphere and ensuring the long-term sustainability of marketing results.

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.

The operating results for 2025 and the business plan for 2026 are summarized below:

I. Operation Results 2025

(I) Achievements of Operational Plans

Annual consolidated operating revenues of the group in 2025 was NT$ 2,751,254 thousand, which grew by a decrease of 14.95% than NT$ 3,234,915 thousand in 2024; the net loss after tax for 2025 was NT$890,325 thousand, an increase of 73.93% compared to the net loss of NT$511,891 thousand in 2024; and the loss per share for 2025 was NT$4.55.

(II) Budget Execution Overview

Undisclosed Financial Estimates 2025 of Grand Ocean Retail Group Ltd.

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

(1) Bussiness Revenues

The consolidated operating revenue for the full year of 2025 was NT$2,751,254 thousand, a decrease of 14.95% compared to NT$3,234,915 thousand in 2024. The main reason for the decline in operating revenue was the unfavorable economic environment in China and the conservative consumption intentions of the people.

(2) Operating Expenses

The consolidated operating expenses (including operating costs and operating expenses) for the full year of 2025 were NT$2,962,507 thousand, a decrease of NT$363,413 thousand (10.93%) compared to NT$3,325,920 thousand in 2024. Among them, operating costs decreased by NT$80,874 thousand (16.67%), and operating expenses decreased by NT$282,539 thousand (9.95%). The decrease in operating costs was mainly due to the decline in the proportion of directly operated businesses, while the smaller increase in operating expenses was mainly due to the control of related expenses.

(3) Profitability

The consolidated operating loss for the full year 2025 was NT$238,167 thousand, an increase of NT$116,889 thousand compared to the NT$121,278 thousand loss in 2024. The consolidated operating profit margin decreased from -3.75% in 2024 to -8.66% in 2025. Consolidated non-operating income and expenses in 2025 were -NT$642,321 thousand, an increase of NT$316,024 thousand compared to -NT$326,297 thousand in 2024. The profit decline was mainly due to the unfavorable economic environment in China, which affected people's willingness to consume and thus impacted profits.

(IV) Research & Development

Our Group focuses on department store retail operations and services. Our main business centers on commercial operations, merchandise distribution, and consumer scenario services, and does not involve product research and development or manufacturing. Therefore, we have not formulated any R&D plans, nor have we incurred any related R&D expenses. Compared to manufacturing companies, the core competitiveness of the department store retail industry lies more in professional operational capabilities and talent development. The cultivation, reserve, and growth of talent are key supports for improving operational quality and strengthening sustainable development capabilities. Our core management team, including department directors and store managers, possesses decades of extensive experience in marketing planning, tenant recruitment, store expansion, and refined operational management within the department store retail industry. At the same time, the Group continues to promote a younger management team, actively promoting young key personnel and further optimizing the structure of the store manager and middle management teams. In recent years, our reserve cadres selected from key universities, after careful training and frontline practical experience by the Group, have gradually assumed important positions in various stores and the omnichannel retail business unit, becoming the backbone of the company's operations and injecting new vitality into operations. In the future, to meet its own development needs, the Group will continue to strengthen talent development and training, reserve and appoint more outstanding retail management talents, improve the talent training, selection and appointment mechanism, thereby improving the level of store operation and management and promoting the long-term and steady development of the Group.

II. Overview of Operational Plans 2026

Judging from the current state of China's consumer market, a strong rebound and a return to a top-selling pattern are unlikely in the short term. Consumers are still largely reliant on passive access to consumer information, making more cautious purchasing decisions. Meanwhile, online consumption continues to grow at several times the rate of offline consumption. Notably, consumers' core needs have shifted from a focus on "cost-effectiveness" to prioritizing "quality-price ratio." This profound change in consumption philosophy directly reflects the current sluggishness of the consumer market.

In 2026, Grand Ocean proposed the business theme of "Using the platform as a lever to achieve diversified integration and intelligent development; focusing on customers to enjoy a trendy, elegant, and refined experience." The company will use its integrated platform as a hub to consolidate various resources, promote deep integration of multiple business formats, and adhere to a customer-oriented approach, accurately meeting the dual needs of consumers for trendiness and elegance. It will optimize products and services, convey the "Refined" concept, and enhance customer loyalty. Furthermore, relying on platform innovation and upgrades, it will optimize its brand matrix, introduce unique resources, and integrate the business theme into various initiatives to fully achieve its annual business goals.

III. Strategies of Future Company Development

The current sluggishness of China's consumer market shows no significant improvement. Consumers are becoming more cautious and pragmatic, placing greater emphasis on product quality, practicality, and core value, posing greater challenges to brick-and-mortar businesses. To address these challenges, we will adhere to our annual business theme, upgrade our business philosophy, and delve deeper into consumer behavior and needs to meet their personalized and diversified demands. Simultaneously, we will leverage big data and AI technologies to deepen our refined membership operations, implement meticulous management and precision marketing, integrate channel resources through our core platform, strengthen talent support, and increase professional talent development to drive the company's innovative development. The following are our development strategies in response to the current situation:

（1） Deepen the refined operation of membership and improve member consumption conversion.

In 2025, the group had 346,000 members with spending records, and plans to increase this number to 400,000 in 2026. Dayang will focus on refined member operations to significantly improve member conversion rates. First, leveraging WeChat mini-program member data, the group will comprehensively analyze core dimensions such as member spending frequency, spending amount, recent spending time, and spending preferences to accurately target customer groups and distribute brand coupons and discounts, achieving precise reach and efficient conversion. Second, the group will optimize its member benefits system, enriching exclusive member perks, strengthening member identity, enhancing member loyalty and engagement, and driving repeat purchases. Third, the group will integrate its leased store member statistics system, comprehensively incorporating the spending of leased merchants into the group's membership system to ensure the completeness and accuracy of member data, providing data support for refined operations.

（2） Continue efforts to reduce empty storage space and optimize the product category layout for bidding.

As of the end of 2025, the group still had 37,000 square meters of vacant retail space. In 2026, we will focus on the core goal of reducing vacant retail space to 20,000 square meters, continuously increasing our efforts in attracting investment, and concentrating on three core categories to create a differentiated competitive advantage. First, we will focus on developing gold and jewelry brands. Currently, the gold consumer group is becoming increasingly younger, with the proportion of consumers born in the 1990s steadily rising. Gold jewelry, with its "wearable asset" attribute, boasts a value retention rate of up to 80%, far exceeding the 30% retention rate of trendy brands. We will increase our efforts to connect with high-quality gold and jewelry brands to strengthen our ability to attract customers to our core categories. Second, we will cultivate the domestic cosmetics market. With the rise of domestic brands such as Mao Geping and Lin Qingxuan, consumer recognition of domestic products continues to increase. We will closely follow market trends and actively introduce more high-quality domestic cosmetics brands to cater to mass consumer preferences. Third, we will appropriately supplement our apparel business to promote its diversified development. Although apparel is not currently our main business, it is an excellent vehicle for extending customer dwell time and increasing user stickiness. The ultimate competition in retail is a battle for people's hearts and trust. We will continue to win consumers' recognition and trust through a high-quality combination of business formats.

（3） Replicate successful cooperation models and expand business scope

The franchise model between 1000 Trees Store and the "Benlai" brand has achieved remarkable results. The core of this model lies in the group's deep involvement in brand management, which effectively ensures the quality of the business format and improves the group's operating revenue. In 2026, we will promote the full replication of this successful model to all stores, allowing each store to invest a small amount of capital in high-quality brands and attract brands to join as franchisees, achieving mutual benefit and win-win results. Each store will base itself on the actual local market conditions, conduct in-depth research on consumer demand, accurately select cooperative brands suitable for the local customer base, and formulate detailed and feasible cooperation plans.

(4) Improve the assessment mechanism and ensure accountability.

To ensure the effective implementation of our 2026 work plans and the timely achievement of our goals, we will further optimize our performance evaluation system and strengthen its guiding role. We will comprehensively incorporate core operational indicators such as budget achievement, empty counter reduction, customer traffic growth, and membership conversion into the evaluation scope, clarifying evaluation standards, refining evaluation rules, and improving supporting reward and punishment measures. Stores and individuals who excel in various tasks and exceed their targets will receive significant rewards and incentives; those who fail to complete tasks on time or whose work is poorly implemented will be held strictly accountable. Through this rigorous evaluation mechanism, we aim to fully stimulate the enthusiasm and initiative of all colleagues, create a positive work atmosphere of learning from and surpassing each other, strive for excellence, and unite our efforts to promote the high-quality development of the group.

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

The development trend of the consumer market in 2026 will be influenced by the combined effects of digital technology iteration, social consumption upgrading, and macroeconomic recovery, presenting clear new changes. Specifically, digital technology will continue to empower the upgrading of consumer experience, with big data, AI, and other tools being widely applied in consumption scenarios. Consumers' demand for consumption experiences that combine trendiness and elegance is increasing. Consumption concepts are extending beyond "quality-price ratio" to "experiential value" and "emotional value," no longer limited to the product itself. Personalized and scenario-based consumption demands continue to stand out, becoming new drivers of consumption. In response, Grand Ocean will closely adhere to its annual business theme, closely follow market trends, proactively optimize its business layout, and ensure that its business direction is in sync with market changes.

In 2025, the retail industry as a whole faced the dual pressures of a sluggish consumer market and significant demand diversion. Most businesses underperformed expectations, profit margins were squeezed, and operational pressure was generally high. However, the industry is poised for policy support. The Central Economic Work Conference held in mid-December 2025 explicitly listed "focusing on expanding domestic demand, boosting consumer confidence, and improving the quality of consumption" as the top priority for 2026. This policy direction brings significant policy dividends and clear development opportunities for the high-quality development of the retail industry.

Currently, China is continuously stimulating its domestic financial market, increasing support for the capital market, stabilizing market expectations, and further demonstrating the inflow of overseas funds. This is expected to serve as a breakthrough to drive a macroeconomic recovery and indirectly unleash domestic consumption potential. At the same time, various regions across the country have successively deepened infrastructure investment plans, focusing on promoting urban renewal, infrastructure upgrades, and other livelihood projects, accelerating the transformation of old and new economic drivers, further boosting the development of related industries, and providing strong support for the recovery of the consumer market. Various positive signals are gradually being released.

After the storm comes the sunshine, and only through trials and tribulations can one achieve long-term success. Although the retail market still faces many challenges, and the pace of consumption recovery will take time, we firmly believe that the current challenges are temporary. Grand Ocean Group will adhere to its annual business theme, adapt to changing circumstances, accurately align with market trends and core consumer needs, continuously enhance its core competitiveness, proactively adjust and upgrade its business model, and optimize resource allocation. By remaining customer-centric, focusing on product quality and consumer experience, concentrating its efforts on overcoming difficulties, and firmly grasping the development opportunities brought by policies and the market, it will surely achieve high-quality development and usher in a new stage of development.

Grand Ocean Retail Group Limited.

Chairman: LEE ENG LEONG

Two. Company Introduction

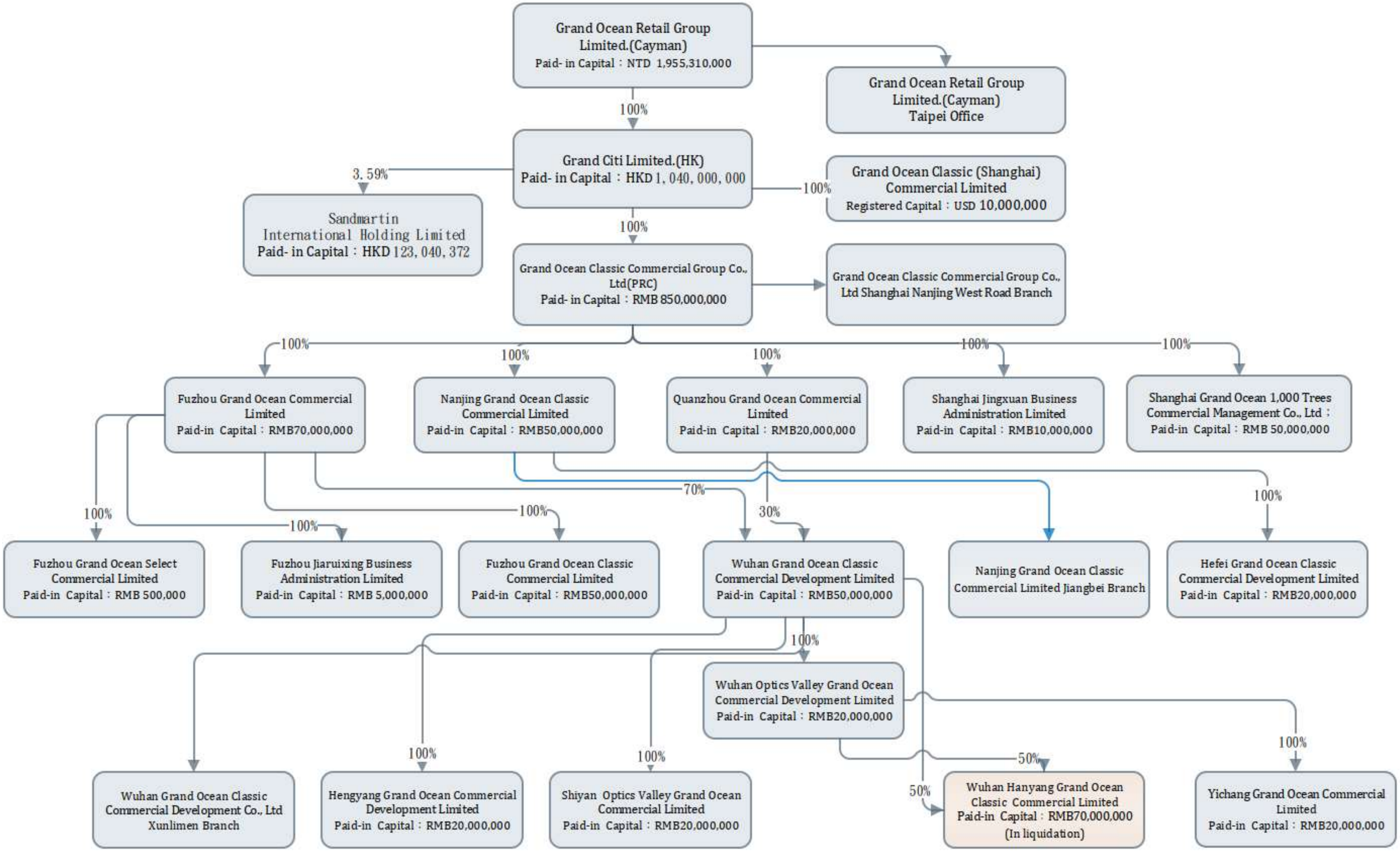
I Date of Establishment

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



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, 2026

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	
First Steamship S.A	PA	—	2023.06.15	2026.6.14	2011.04.24	91,560	45.33%	45,780	23.41%	0	0	0	0	—	—	—	—	—	-
Representative：Chairman Lee Eng Leong	MY	M 51｜60	2025.12.26	2026.6.14	2025.12.26	0	0	0	0	0	0	0	0	Asia Pacific Finance Director of Microsoft； Independent Director of Thriven Global Berhad； Chairperson of Trinity Gold Limited	Chairman of Grand Ocean Retail Group Limited Director of Grand Citi Limited Independent Director of Thriven Global Berhad； Chairperson of Trinity Gold Limited	—	—	—	-
Director 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 of FIRST STEAMSHIP COMPANY LIMITED.；Chairman and non-executive director of Sandmartin International Holdings Limited.； Director of Grand Ocean Retail Group Limited.； Chairman and GM of ROYAL SUNWAY DEVELOPMENT CO., LTD,； Chairman of Youcheng Financial Leasing Co., Ltd.； Chairman and GM of Yixin Investment Co., Ltd.； Chairman and GM of Yi-Chang Investment Co., Ltd.； Director of Grand Citi Limited (HK),、First Mariner Holding Ltd.(BVI)； Chairman of First Steamship S.A.(PANAMA),；	—	—	—	-

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	
															Director of Ahead Capital Ltd.(BVI)、Media Assets Global Ltd.(BVI)、Heritage Riches Ltd. Praise Maritime、 First Mariner Capital Ltd.(BVI)、Mariner Capital Ltd.(HK) 、Mariner Far East Ltd.;Chairman of 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 International S.A.(PANAMA)、MIGHTY STEAMSHIP CO.,LTD (LIBERIA)、ADVANTAGE STEAMSHIP CO.,LTD (LIBERIA)； Chairman and CEO of Taiwan Environment Scientific Co., Ltd. Director of Jia Wang Asset Development Co., Ltd； Chairman and Non-executive director and IndeMember of Remuneration/Remuneration and Committee and Audit Committee of DA YU FINANCIAL HOLDINGS LIMITED.				

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 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	Management Consulting Program at the French Graduate Business School. Chinese Certified Public Accountant Director、financial director、Vice chairman of Shanghai Allied Cement 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. Managing Director of Allied Cement Holdings Limited Director and GM of Grand Ocean Retail Group Limited. Chairman of Grand Citi Limited Chairman of Grand Ocean Classic Commercial Group Co., Ltd. Detailed information on directors, supervisors, and general managers of related companies（Page118～119）	-	-	-	-
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 Huei	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.	-	-	-	-

Note 1: On December 26, 2025, the legal representative of First Steamship S.A., a corporate director of the Company, was changed from Mr.Zhang Jinguo to Mr. LEE ENG LEONG.
Note 2: Mr. Guo Jen Hao, Chairman of the Company, resigned on December 26, 2025 due to his busy schedule. On December 30, 2025, the Company’s interim Board of Directors approved the .nomination of Mr. LEE ENG LEONG as the new Chairman.

Major Shareholder as Juridical Person

Apr 20,2026

Name of Shareholder as Juridical Person	Major Shareholder as Juridical Person
Trinity Gold Limited	Grand Trinity Investment Limited (100%)
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(0.68%)、Citigroup Managed DFA Emerging Market Core Securities Investment Account (0.63%)、Citibank Custody of Emerging Markets Assessment Fund Investment Account (0.35%)

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

Apr 20,2026

Name of Shareholder as Juridical Person	Major Shareholder as Juridical Person
Trinity Gold Limited	Grand Trinity Investment Limited (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(0.68%)、Citigroup Managed DFA Emerging Market Core Securities Investment Account (0.63%)、Citibank Custody of Emerging Markets Assessment Fund Investment Account (0.35%)
Herng 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:

<table>
<tr><th>Conditions
Name</th><th>Professional qualifications and experience</th><th>Independence conformity</th><th>Number of occupation of Independent Director in other listed companies concurrently</th></tr>
<tr><td>First Steamship S.A. Representative ：Lee Eng Leong</td><td>Professional qualifications and educational experience：
Asia Pacific Finance Director of Microsoft；
Independent Director of Thriven Global Berhad；
Chairperson of Trinity Gold Limited
Where the matter does not concern any reference in Article 30 of the company Act.：Qualified.</td><td>—</td><td>—</td></tr>
<tr><td>Kuo Jen Hao</td><td>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.</td><td>—</td><td>—</td></tr>
<tr><td>First Steamship Company Ltd Representative: Ng Qing Hai</td><td>Professional qualifications and educational experience：
Management Consulting Program at the French Graduate Business School.
Chinese Certified Public Accountant
Director、financial director、Vice chairman of Shanghai Allied Cement Limited
Managing Director of Allied Cement Holdings Limited..
Legal representative of 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.</td><td>—</td><td>—</td></tr>
<tr><td>Lee Seng Chay</td><td>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.</td><td>—</td><td>—</td></tr>
<tr><td>Ding Jin Huei</td><td>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.</td><td rowspan="3">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.
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.
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 9~17.</td><td>1</td></tr>
<tr><td>Sher Ching Yee</td><td>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.
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.</td><td>0</td></tr>
<tr><td>Lee Jenn Yuh</td><td>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</td><td>0</td></tr>
</table>

Conditions / Name	Professional qualifications and experience	Independence conformity	Number of occupation of Independent Director in other listed companies concurrently
	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.		

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 6.4 years, of which the tenure of the three independent directors is 4.9 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
Lee Eng Leong	MY	M			✓			
Kuo Jen Hao	ROC	M		✓			-	-
Ng Qing Hai	HK	M	Y			✓	-	-
Lee Seng Chay	MY	M	Y			✓	-	-
Ding Jin Huei	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
Lee Eng Leong	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Kuo Jen Hao	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Ng Qing Hai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lee Seng Chay		✓			✓		✓	✓	✓	✓	✓
Ding Jin Huei	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
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	Management Consulting Program at the French Graduate Business School. Chinese Certified Public Accountant Director、financial director、Vice chairman of Shanghai Allied Cement 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. Managing Director of Allied Cement Holdings Limited Director and GM of Grand Ocean Retail Group Limited. Chairman of Grand Citi Limited Chairman of Grand Ocean Classic Commercial Group Co., Ltd. Detailed information on directors, supervisors, and general managers of related companies（Page118～119）	—	—	—	—
Auditor General	MY	Lee Seng Chay	M	2014.08.12	0	0	0	0	0	0	Banhelor 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(Note1)	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 managementand chief financial officer of Shanghai Allied Cement Limited.	Chief Financial Officer and Director of Engineering & Property Management and Development Department of Grand Ocean Classic Commercial Group Co., Ltd	—	—	—	—
Vice President of GOCC(Note2)	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（Page118～119）	—	—	—	—

Note 1: Mr. Yau Dennis Wai Tak, the Chief Financial Officer of the Company, resigned on December 26, 2025 due to his busy schedule.
Note 2: Mr. Zhang Jinguo, Vice President of Grand Ocean Classic Commercial Group Co., Ltd., a major subsidiary of the Company, retired on March 31, 2026.

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										
		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)				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
		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	All the Companies Included in the Financial Statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	First Steamship S.A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Representative：Lee Eng Leong	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Director	Kuo Jen Hao	722	722	–	–	–	–	–	–	722 0.08%	722 0.08%	–	–	–	–	–	–	–	–	722 0.08%	722 0.08%	4, 103
Director	First Steamship Company Ltd	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Representative：Ng Qing Hai	608	608	–	–	–	–	–	–	608 0.07%	082 0.07%	–	5, 368	–	–	–	–	–	–	608 0.07%	5, 976 0.67%	–
Director	Lee Seng Chay	608	608	–	–	–	–	–	–	608 0.07%	082 0.07%	–	5, 175	–	–	–	–	–	–	608 0.07%	5, 783 0.65%	–
Independent Director	Ding Jin Huei	608	608	–	–	–	–	–	–	608 0.07%	082 0.07%	–	–	–	–	–	–	–	–	608 0.07%	608 0.07%	–
Independent Director	Sher Ching Yee	608	608	–	–	–	–	–	–	608 0.07%	082 0.07%	–	–	–	–	–	–	–	–	608 0.07%	608 0.07%	–
Independent Director	Lee Jenn Yuh	608	608	–	–	–	–	–	–	608 0.07%	082 0.07%	–	–	–	–	–	–	–	–	608 0.07%	608 0.07%	–

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	Lee Eng Leong;Kuo Jen Hao; Ng Qing Hai; Lee Seng Chay; Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.	Lee Eng Leong;Kuo Jen Hao; Ng Qing Hai; Lee Seng Chay; Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.	Lee Eng Leong;Kuo Jen Hao; Kuo Jen Hao; Ng Qing Hai; Lee Seng Chay; Sher Ching Yee; Ding Jin Huei; Lee Jenn Yuh; First Steamship Company Limited; First Steamship S.A.	Lee Eng Leong;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; 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	4,273	5,976	-	-	-	-	-	-	-	-	4,273 0.48%	5,976 0.67%	-
Auditor General	Lee Seng Chay	1,241	5,783	-	-	-	-	-	-	-	-	1,241 0.14%	5,783 0.65%	-
Chief Financial Officer(Note1)	Yau Dennis Wai Tak	1,094	1,094									1,094 0.12%	1,094 0.12%	2,423
Vice President of Grand Ocean Classic Commercial Group Co., Ltd(Note2)	Zhang Jin Guo	2,330	6,474	-	-	-	-	-	-	-	-	2,330 0.26%	6,474 0.73%	-
Accounting supervisor	Li Chao	-	2,838									-	2,838 0.32%	-

Note 1: Mr. Yau Dennis Wai Tak, the Chief Financial Officer of the Company, resigned on December 26, 2025 due to his busy schedule.
Note 2: Mr. Zhang Jinguo, Vice President of Grand Ocean Classic Commercial Group Co., Ltd., a major subsidiary of the Company, retired on March 31, 2026.

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	4,273	5,976	-	-	-	-	-	-	-	-	4,273 0.48%	5,976 0.67%	-
Auditor General	Lee Seng Chay	1,241	5,783	-	-	-	-	-	-	-	-	1,241 0.14%	5,783 0.65%	-
Chief Financial Officer(Note1)	Yau Dennis Wai Tak	1,094	1,094	-	-	-	-	-	-	-	-	1,094 0.12%	1,094 0.12%	2,423
Vice President of Grand Ocean Classic Commercial Group Co., Ltd (Note2)	Zhang Jin Guo	2,330	6,474	-	-	-	-	-	-	-	-	2,330 0.26%	6,474 0.73%	-
Accounting supervisor	Li Chao	-	2,838	-	-	-	-	-	-	-	-	-	2,838 0.32%	-

Note 1: Mr. Yau Dennis Wai Tak, the Chief Financial Officer of the Company, resigned on December 26, 2025 due to his busy schedule.
Note 2: Mr. Zhang Jinguo, Vice President of Grand Ocean Classic Commercial Group Co., Ltd., a major subsidiary of the Company, retired on March 31, 2026.

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	Li Chao	—
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)	5	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

1 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			
	2024	%	2025	%	2024	%	2025	%
Director	4,399	0.86%	4,373	0.49%	20,995	4.10%	20,782	2.33%
GM and VGM	9,008	1.76%	8,938	1.00%	22,411	4.38%	22,167	2.49%
Net profit after tax	(511,891)	100%	(890,325)	100%	(511,891)	100%	(890,325)	100%

2 The remuneration paid by the company and all companies in the consolidated financial statements to directors, general managers and deputy general managers in 2025 an increased of NT$96 thousand and a decreased of NT$457 thousand respectively compared with 2024, 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 12 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	Lee Eng Leong First Steamship S.A Representative	1	0	8.33%	On December 26, 2026, First Steamship S.A. was re-appointed as its representative, and on December 30, 2026, the extraordinary board of directors elected him as its chairman.
Director	Kuo Jen Hao	3	9	25.00%	Resigned as Chairman on December 26, 2025
Director	Ng Qing Hai First Steamship Company Ltd Representative	11	1	91.67%	
Director	Lee Seng Chay	11	1	91.67%	
Director	Zhang Jin Kuo First Steamship S.A Representative	10	0	100.00%	Dismissed on 2025.12.26
Independent Director	Sher Ching Yee	10	2	83.33%	
Independent Director	Ding Jin Huei	11	1	91.67%	
Independent Director	Lee Jenn Yuh	12	0	100.00%	

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:

(1) Date of Board Meeting: March 14, 2025
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 Yung Fu Co., Ltd.It is an external subsidiary that is not 100% owned, so personal interests are involved.
Participation in voting: Director Kuo Jen Hao attended on behalf of someone else, and the proxy form stated that he would abstain from voting in this case to avoid conflict of interest. The remaining directors present passed the resolution without objection.

(2) Date of Board Meeting: March 28, 2025
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 Pro Brand Technology (TW) Inc.It is an external subsidiary that is not 100% owned, so personal interests are involved.
Participation in voting: Director Kuo Jen Hao attended on behalf of someone else, and the proxy form stated that he would abstain from voting in this case to avoid conflict of interest. The remaining directors present passed the resolution without objection.

(3) Date of Board Meeting: May 14, 2025
Proposal content: The company intends to apply to First Steamship S.A. for a loan amount of USD 9 million.
Name of Director: Kuo Jen Hao
Reason for avoidance of interest: Because Chairman Kuo Jen Hao serves as a director of First Steamship S.A., he is a stakeholder in this case, and therefore his personal interests are involved.
Participation in voting: Director Kuo Jen Hao abstained from the meeting in accordance with the law and did not participate in the discussion or vote. The remaining directors present passed the resolution without objection.

(4) Date of Board Meeting: July 11, 2025
Proposal content: The company intends to apply to First Steamship S.A. for a loan amount of USD 10 million.
Name of Director: Kuo Jen Hao
Reason for avoidance of interest: Because Chairman Kuo Jen Hao serves as a director of First Steamship S.A., he is a stakeholder in this case, and therefore his personal interests are involved.
Participation in voting: Director Kuo Jen Hao attended on behalf of someone else, and the proxy form stated that he would abstain from voting in this case to avoid conflict of interest. The remaining directors present passed the resolution 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 25～31 and 42~44). 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	2025.02～2026.01
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	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 12 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	10	2	83.33%	Meeting re-election of 2023.06.15 shareholders
Independent Directo	Ding Jin Huei	11	1	91.67%	Meeting re-election of 2023.06.15 shareholders
Independent Directo	Lee Jenn Yuh	12	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
21th meeting of the 5th Committee 2025.03.14	1. Assessment and appointment of the independence and competence of the CPA. 2. 2024 KPMG audit fee.

Audit Committee	Contents of Bill and the Subsequent Treatment Thereof
	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. Lifting the non-competition restriction on directors
22th meeting of the 5th Committee 2025.03.28	1. Annual Business Report and Consolidated Financial Statements 2024. 2. 2024 internal control system statement. 3. 2024 Audit Committee Audit Reports. 4. 2024 Loss Recovery Statement. 5. It is proposed to withdraw FSC's role as a joint guarantor for the US$8 million financing facility of our company from Entie Commercial Bank. 6. Revise certain articles of the Company's Articles of Association. 7. The Company's proposed investment 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
23th meeting of the 5th Committee 2025.04.29	1. The Company intends to invest in and establish a subsidiary in China to handle the lease matters for floors 1-3 of Fuzhou Grand Ocean.
24th meeting of the 5th Committee 2025.05.14	1. Consolidated financial statements for the first quarter of 2024. 2. Our major subsidiary, Grand Citi Ltd., intends to adjust the interest rate on loans from our company to our funds. 3. The company intends to apply to First Steamship S.A. for a loan amount of USD 9 million. 4. 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.”
26th meeting of the 5th Committee 2025.07.11	1. The company intends to apply to First Steamship S.A. for a loan amount of USD 10 million.
27th meeting of the 5th Committee 2025.08.27	1. The Company’s 2024 Sustainability Report has been completed. 2. Consolidated financial statements for the second quarter of 2025. 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

Audit Committee	Contents of Bill and the Subsequent Treatment Thereof
	Making of Endorsements/Guarantees by Public Companies.”
28th meeting of the 5th Committee 2025.09.05	1. Our company intends to obtain a financing facility of US$10 million from the Hong Kong branch of China Trust Commercial Bank Co., Ltd.
29th meeting of the 5th Committee 2025.10.16	1. The Company intends to obtain a financing facility of US$16 million from the Taipei Branch (International Financial Services Branch) of Bank of East Asia Limited. 2. Revise certain clauses of the company's internal control system related to sustainable information management. 3. Proposed reduction of the loan amount provided by Grand Citi Limited, a wholly-owned subsidiary of the Company, to the Company.
30th meeting of the 5th Committee 2025.11.13	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 2025. 3. We plan to revise the company's internal audit system and implementation rules. 4. KPMG accountants' audit of the publicly funded case in 2025.
31th meeting of the 5th Committee 2025.12.05	The Company's Operating Cash Flow Improvement Plan.
32th meeting of the 5th Committee 2025.12.30	1. 2026 Financial budget. 2. To formulate general principles for the company's policy on pre-approval of non-confidential services. 3. The Company’s 2026 Audit Plan. 4. KPMG accountants reviewed the public expense adjustment proposal for 2025. 5. Assessment and appointment of the independence and competence of the CPA.

一、Independent Directors’ opinion: There are no objections or reservations, and no major proposed project content.
Audit Committee's resolution: The resolution was approved by all attending committee members.
Treatment to the Opinion Thereof by Company: Approved by the Board of directors.

二、Contents of Major Recommendations by Independent Directors:

1. Date and session of the audit committee meeting: 31th meeting of the 5th Committee 2025.12.05
2. Meeting Proposal Content: Our company's operating cash flow improvement plan.
3. Resolution results: Please have the company's management propose specific improvement plans and submit them to the most recent board of directors for review.
4. The company's handling of the audit committee's opinions: After discussion and deliberation by the company's management, feasible plans and explanations have been proposed for the future operation of each store, including increasing revenue and reducing costs. These plans have been submitted to the board of directors for approval on December 30, 2025, and have been approved by all attending directors without objection.

The Audit Committee held 12 meetings in 2025, and the main matters considered included:

A. Financial reports.
B. The revision and addition of internal control systems.
C. Assessment of the effectiveness of internal control systems.
D. Matters involving the personal interests of the directors.
E. Significant asset transactions.
F. Significant financial loans, endorsements, or guarantees.
G. Appointment, competence, and independence assessment of visa CPA.
H. Status of implementation of the internal audit plan.

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
2025.03.14	Audit Committee	Report the Conclusion of Internal Audit (The audit report for Nov and Dec 2024 and Jan 2025 and follow-up audit reports)	Note, no opinion, and report to the board of directors.
2025.03.28	Audit Committee	Statement of Internal Control System 2024 of the company.	All the directors present passed the proposal without objection.
2025.04.29	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Feb 2025)	Note, no opinion, and report to the board of directors.
2025.05.14	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Mar 2025)	Note, no opinion, and report to the board of directors.
2024.07.11	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Apr and May 2025)	Note, no opinion, and report to the board of directors.
2025.08.27	Audit Committee	Report the Conclusion of Internal Audit (The audit report for Jun 2025)	Note, no opinion, and report to the board of directors.
2025.10.16	Audit	Report the Conclusion of Internal	Note, no opinion, and

Date	Way of communication	Item of Communication	Recommendation and Results
	Committee	Audit (audit reports for July and August 2025)	report to the board of directors.
2025.11.13	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Sep 2025)	Note, no opinion, and report to the board of directors.
2025.11.19	Audit Committee (Pre-meeting)	Internal auditors to have separate communication with independent directors - 2026 audit plan.	Note, no opinion.
2025.12.30	Audit Committee	Report the Conclusion of Internal Audit (audit reports for Oct 2025).	Note, no opinion, and report to the board of directors.
		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
2025.11.19	CPA audit operation report (meeting between the CPAs and independent directors alone)	The auditor's responsibilities regarding ethics and independence, the auditor's responsibility in auditing financial statements, the firm's quality management system, the annual audit plan including profit and loss analysis for the first three quarters of 2025, the identified major risks, and events or circumstances that may raise significant doubts about the firm's ability to continue as a going concern.	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				

Evaluation Items	Operation			Difference with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons Thereof
	YES	NO	Summary	
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 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.	No significant discrepancy.
(II) Does the company actually grasp the list concerning the major shareholders as well as their final controllers thereof?			(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	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	
			Listed Companies," the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees 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) 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		(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	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	
			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: 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. 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. 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	

Evaluation Items	Operation			Difference with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons Thereof
	YES	NO	Summary	
			concrete management target of the board's diversity is achieved. For the education and experience, gender, professional qualification, work experience and diversity of each director, please refer to the II: 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.	
(II) Does the company voluntarily found the committees with other diverse functions besides Remuneration/Remuneration Committee and Audit Committee?			(II) The company has currently established a Remuneration Committee and an Audit Committee, and established a Nomination Committee on June 15, 2023.	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.
(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?	V		(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. The corporate governance officer is responsible for the implementation, and the internal questionnaire is adopted. For the measurement items of	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	
			performance evaluation, please refer to the table on page 27. After all questionnaires are collected in February each year, corporate governance officer will summarize the results and submit them to the board of directors, and propose improvement measures based on the directors' suggestions. 2025 annual performance evaluation results (evaluation period from February-2025 to January-2026) have been submitted to the Board of Directors on March 30, 2026. 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. The average performance self-evaluation score of the overall Board of Directors is 4.45 points, and the average performance self-evaluation score of individual members of the Board of Directors is 4.56 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 4.76 points, which is well-operated; the average performance self-assessment score of the Audit Committee is 4.97	

Evaluation Items	Operation			Difference with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons Thereof
	YES	NO	Summary	
			points, the operation is perfect, and its functions can be fully played ; the average performance self-assessment score of the nomination committee is 4.94 points, which means that it can fully perform its functions (The full score above is 5 points)	
(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	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	
				same day to approve the independence and suitability evaluation of the CPA.	
IV	Has the TWSE/TPEx listed company deployed competent and appropriate number of corporate governance personnel and designated corporate governance officer to 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)?		V	(I) A corporate governance officer is assigned to the Board, providing necessary information for the Board operations, treating relational matters regarding 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 or corporation or contracts,	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	
			etc. (II) Corporate governance officer must complete 12 hours of continuing education in 2025, meet the required statutory continuing education hours, and complete the declaration process. (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.

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 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, uploading the procedures of the institutional investor conference to the company website)?	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 upload the contents thereof to the corporate website and MOPS for any shareholders or the public to browse.	No significant discrepancy.
(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?	V		(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.	No significant discrepancy. The company completes the filing of all relevant financial reports within the statutory period.
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			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 imformation and procide 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	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	
	Directors and Supervisors by the company)?			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 42~44 for the further education of directors. 5. The company has designated 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. 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. 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.	
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	(I) Item Improved: None. (II) Item Unimproved yet Reinforcements and Measures Are Provided First: 1. Evaluation question number 2.5 (Is the number of company directors who are employees of the company, its parent company, its subsidiaries, or its sister companies less than or equal to one-third of the total number of directors?): The company will disclose relevant information on its official website in			

Evaluation Items	Operation			Difference with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", as well as the Reasons Thereof
	YES	NO	Summary	
the company is not listed for the evaluation).			the future. 2. Evaluation question number 2.6 (Does the company's board of directors include at least one director of a different gender? [If each gender holds more than one-third of the board seats, an additional point will be awarded.]): The company will disclose relevant information on its official website later. 3. Evaluation question number 2.7 (Does the company have more than one-third of the seats held by independent directors? [If independent directors hold more than half of the seats, an additional point will be awarded.]): The company will disclose relevant information on its official website later. 4. Evaluation question number 2.25 (Have all the company's independent directors completed their required training hours as stipulated in the "Guidelines for the Implementation of Professional Development for Directors of Listed Companies"? [If all directors have completed their training in accordance with the guidelines, one additional point will be awarded.]): The company will disclose relevant information on its official website later.	

Education of directors in 2025

Title	Name	Date	Organizer	Course Title	Hours
Chairman	Lee Eng Leong	2026.03.30	China Intangible Assets and Enterprise Appraisal Association	Important Considerations for Expert Witnesses in Court - Focusing on Criminal Cases	3.0
Director	Kuo Jen Hao	2025.10.30	Taiwan corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3.0
				Directors' fiduciary duties and business judgment criteria	3.0
		2025.10.31		Business Integrity Management and Fraud Prevention Practices (including promotion of integrity management	3.0

Title	Name	Date	Organizer	Course Title	Hours
				and insider trading prevention)	
				Corporate Climate Governance and TCFD Disclosure Practices	3.0
Director and General Manager	Ng Qing Hai	2025.10.31	Taiwan corporate Governance Association	Business Integrity Management and Fraud Prevention Practices (including promotion of integrity management and insider trading prevention)	3.0
				Corporate Climate Governance and TCFD Disclosure Practices	3.0
Director	LEE SENG CHAY	2025.10.31	Taiwan corporate Governance Association	Business Integrity Management and Fraud Prevention Practices (including promotion of integrity management and insider trading prevention)	3.0
				Corporate Climate Governance and TCFD Disclosure Practices	3.0
Director	Zhang Jin Guo	2025.10.31	Taiwan corporate Governance Association	Business Integrity Management and Fraud Prevention Practices (including promotion of integrity management and insider trading prevention)	3.0
				Corporate Climate Governance and TCFD Disclosure Practices	3.0
Independent Director	Sher Ching Yee	2025.10.31	Taiwan corporate Governance Association	Trends and Risk Management in Digital Technology and Artificial Intelligence	3.0
				Directors' fiduciary duties and business judgment criteria	3.0
				Business Integrity Management and Fraud Prevention Practices (including promotion of integrity management and insider trading prevention)	3.0

Title	Name	Date	Organizer	Course Title	Hours
				Corporate Climate Governance and TCFD Disclosure Practices	3.0
Independent Director	Lee Jenn Yuh	2025.10.31	Taiwan corporate Governance Association	Business Integrity Management and Fraud Prevention Practices (including promotion of integrity management and insider trading prevention)	3.0
				Corporate Climate Governance and TCFD Disclosure Practices	3.0
Independent Director	Ding Jin Huei	2025.07.04	National Federation of Accountants of the Republic of China	Money Laundering Prevention Law from a Judicial Practice Perspective	3.0
		2025.07.25		Legal Liability of Accountants	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/Remuneration Committee member in other listed companies concurrently
Independent director	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；Director of Assem Techology Co., Ltd、Lung Hwa Electronic Co., Ltd、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. 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. 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	-
Independent director	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. 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.		-

Independent director	Lee Jenn Yuh	Professonal 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.	among the members (if any) are detailed on pages 9~13.	-

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%	Re-appointment
Member	Sher Ching Yee	1	1	50.00%	Re-appointment
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 2025 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
2025.03.28	I 2024 Employee and Director Compensation Payment Plan.	All members of the committee agreed to pass it and submitted it to the board of directors for review.	Not applicable
2025.05.14	I. Matters concerning the filing of salaries tax returns by Grand Citi Limited, a wholly-owned subsidiary of our company.	All members of the Committee consent to and submit a report to the board of directors.	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	Note1	1	0	100.00%	-
Member	Ding Jin Huei		0	1	0.00%	-
Member	Sher Ching Yee		1	0	100.00%	-

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 2025 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
2025.10.16	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.

<table>
<tr><th rowspan="2" colspan="2">Promotion Items</th><th colspan="3">Implementation status</th><th rowspan="2">Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof</th></tr>
<tr><th>YES</th><th>NO</th><th>Summary</th></tr>
<tr><td></td><td>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?</td><td></td><td></td><td>sustainability reports, and enhancement of information disclosure.
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, 2025, May 14, 2025, August 27, 2025, November 13, 2025 and December 30, 2025, 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.
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.</td><td></td></tr>
<tr><td>II</td><td>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?</td><td>V</td><td></td><td>The disclosed information covers the sustainable development performance at the major presences during January 2025 to December 202. 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.
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.
<table>
<tr><th>Material issue</th><th>Risk item</th><th>Countermeasures</th></tr>
<tr><td>Economy</td><td>Operational performance risk</td><td>Each store has developed its online sales model by adjusting its planning, such as increasing the variety and richness of product categories, adding experiential consumption elements, forming alliances with popular brands, adding catering-related supporting services, developing products with strong consumer interaction, developing management models, increasing management consulting fee income, and cooperating with major e-commerce platforms, thereby improving more diverse and rich sales channels.</td></tr>
</table></td><td>No significant discrepancy.</td></tr>
</table>

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			
				Ethical and integrity risks	1. A complete reporting channel was established, and no related reports were received in 2025. 2. The company's internal integrity regulations are uploaded to its official website for stakeholders to view.	
				Information security risks	1. A complete reporting channel was established, and no related reports were received in 2025. 2. The company's internal integrity regulations are uploaded to its official website for stakeholders to view.	
			Environment	Environmental disasters	1. Air pollution and GHG ● Ventilation is achieved by combining air conditioning and fresh air systems. Outdoor air is introduced into the mall after passing through an air filter to ensure indoor air quality. ● The kitchens of the shopping mall's catering establishments are equipped with fume purifiers, and the fumes are treated before being discharged outdoors, in accordance with local regulations. ● The mall's renovation uses legally compliant materials and processes; it does not use packaging materials that pollute the environment or are difficult to recycle; and all mall facilities comply with greenhouse gas emission regulations. 2. Energy saving ● 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 in malls, to reduce the power consumed by the air conditioners continuously. ● Enhancing the energy save promotion, and attendance of energy-saving activities by all employees, to reduce unnecessary power consumption. 3. Disposal of waste	

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				
						● The shopping mall first sorts and manages the waste; recyclable waste is placed in designated locations and collected by a licensed cleaning company; kitchen waste is bagged and placed in sealed trash cans and handed over to the environmental protection department for collection on the same day.	
				Crowd	Customer relationship risk	1. For the proprietary brands, the suppliers are required to provide a qualified test report of products issued by third-party institutions. 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. 3. To seek to handle the complaints of consumers timely and resolve such well. 4. The service in the VIP lounge is provided by the dedicated staff; if necessary, the floor manager will handle jointly. 5. In special circumstances, the compensation may be made based on the complaint fund agreed in the suppliers' agreement.	
					Salary and benefits risks	1. We offer competitive salaries to attract top talent. 2. Pay close attention to the latest revisions to labor laws and adjust internal personnel management measures accordingly to reduce the risk of violations.	
					Talent cultivation risks	The reserve cadre program cultivates outstanding university graduates to provide talent for new stores and middle management positions.	
					Occupational safety	1. We attach great importance to ensuring the personal safety of our customers and employees, and have taken the following measures, including improving the mall's safety management system, such as complying	

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	
			with fire safety regulations and emergency response plans; strengthening safety inspections, such as conducting comprehensive safety inspections of the mall daily to ensure there are no safety hazards; organizing fire training and fire drills, such as improving the emergency response capabilities of employees and merchants; and strengthening the inspection and maintenance of fire-fighting facilities, such as ensuring the safety and effectiveness of fire-fighting facilities. 2. Regularly maintain and service the mall's equipment to ensure a safe shopping environment for customers. 3. Regarding the environmental maintenance of the shopping mall, ensure daily cleaning of the mall's interior and exterior to maintain cleanliness and order; set up garbage sorting and recycling points to reduce environmental pollution; and regularly disinfect to eliminate potential hygiene hazards. 4. Maintain the greenery and environment of the shopping mall. Report on risk management operations to the board of directors at least once a year; the latest report was made on December 30, 2025.	
III Environmental Issues (1) Has the company built an environmental management system which is appropriate based on the industrial characteristics thereof?	V		(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. 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.	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	
(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?	V		(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. Promote green buildings, improve building energy efficiency, and strengthen the implementation of low-carbon living to reduce electricity consumption and power generation demand. 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.	No significant discrepancy.
(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?	V		(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.	No significant discrepancy.
(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				

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	
(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 2025, a total of 21 employee care activities were held by department stores in China. (2) The scope of this company's human rights policy applies to the entire company, including its consolidated subsidiaries, and the responsible unit is the ESG Sustainability Reporting Team of this company's Ocean Commercial Group. Ocean respects and supports internationally recognized human rights norms and principles, abides by the basic spirit and working principles of international conventions such as the UN Global Covenant, the UN Universal Declaration of Human Rights, and the ILO Basic Principles and Rights of the Workers, as well as the laws and regulations of the company's location, and has formulated a human rights policy, which is posted on the official website. The implementation policy is as follows: 1. Prohibit illegal discrimination and ensure equal job opportunities: Comply with national labor laws, prohibit the employment of child labor, prohibit forced labor, and prohibit any form of discrimination or differential treatment based on gender, class, age, marital status, language, religion, political affiliation, etc. 2. Provide a healthy and safe working environment: Regularly implement occupational safety education and training, maintain the safety of equipment in the office environment at all times, eliminate factors in the work environment that may affect the health of colleagues, and reduce occupational safety risks. 3. Assist colleagues in maintaining physical and mental health and work-life balance: In addition to providing regular health checkups for colleagues, we also care about and manage any abnormal workloads among colleagues, in order to practice the concept of work-life balance and take comprehensive care of the physical and mental health of our colleagues. 4. Create a conducive environment for communication and respect colleagues' freedom of assembly and association:	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	
			We respect the basic human rights of our colleagues and provide diverse communication mechanisms and platforms to ensure harmonious and win-win labor relations. Grand Ocean Commercial Group has always respected and supported internationally recognized human rights norms and principles, complied with the laws and regulations of the company's location, and formulated relevant systems to protect the rights and interests of employees, so that employees and partners can reduce human rights risks and impacts through Ocean's management.	
(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		(3) 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 2025, a total of 25 group activities of various types have been held. For details regarding employee benefits, please refer to Section V, Operations Overview, Part V: Labor Relations. 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 2025, the average proportion of female employees is 56%, and the average proportion of female managers is 46%. Grand Ocean's retirement system and its implementation: Ocean Company's retirement plan is handled in accordance with the "Labor Retirement Pension Act" and the "Enterprise Employee Basic Pension Insurance Act." 1. Taipei Office: Under the retirement pension system governed by the "Labor Retirement Pension Act," contributions are made at a rate of 6% of the employee's monthly salary and deposited into the individual retirement pension account of the Bureau of Labor Insurance. Under this plan, once a company has made a fixed contribution to the Bureau of Labor Insurance, it has no legal or presumed obligation to pay any additional amounts. 2. Grand Ocean Commercial Group Headquarters and its various mainland shopping malls:	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	
			Under the social security pension system governed by the "Basic Pension Insurance Act for Enterprise Employees," employees contribute a monthly salary corresponding to their job level, and the company contributes a corresponding amount to the basic pension insurance fund in the individual's account under a special account with the local government finance department. Upon resignation/retirement, the self-contributed portion is returned in a lump sum after deducting any previously withdrawn provident fund from the actual accumulated self-contributed amount over the years; the company-contributed portion is calculated by multiplying the actual accumulated company-contributed provident fund over the years by the percentage of benefits determined based on seniority, minus any previously withdrawn provident fund contributions. The company contributes a full amount of the basic pension insurance fund to the special account with the local government finance department monthly. 3. Pension contribution details:	

Applicable to	Taipei Office:	Grand Ocean Commercial Group Headquarters and its various mainland shopping malls
Applicable legal source	Labor Retirement Pensions Act	Regulations on Basic Pension Insurance for Enterprise Employees
Promotion status	The employer contributes 6% of wages monthly. The total amount contributed by the employer in 2025 is NT$205 thousand.	The full amount of basic pension insurance funds is deposited monthly into the special account of the local government finance department. The total amount deposited in 2025 was NT$47,368 thousand.
Retirement pension payments and standards	According to the Labor Retirement Fund Act and its implementing regulations and related laws,	Those who participate in the basic pension insurance for enterprise employees of local governments and have accumulated 15 years of

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation status</th><th rowspan="2">Difference by Comparing with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, as well as the Reasons thereof</th></tr>
<tr><th>YES</th><th>NO</th><th>Summary</th></tr>
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<tr><td></td><td>employees should apply directly to the Bureau of Labor Insurance for the funds in their new retirement pension account.</td><td>contributions by the time they reach the statutory retirement age can apply for basic pension benefits in accordance with regulations, and the local government will then pay them a basic pension benefit on a monthly basis.</td></tr>
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(1) Retirement conditions (Taipei Office):
A. Employees may request retirement under any of the following circumstances:
(A) Employees who have served the company for 15 years or more and are 55 years of age or older.
(B) Those who have served the company for more than 25 years.
(C) Employees who have served the company for more than ten years and are over sixty years old.
B. An employee may be ordered to retire if he/she falls under any of the following circumstances:
(A) Those who are 65 years of age or older
(B) People with physical or mental disabilities are unable to perform their work.
(2) Retirement conditions (Grand Ocean Commercial Group headquarters and various mainland shopping malls):
A. Men must be at least 60 years old and women at least 50 years old, and have accumulated at least 10 years of work experience;
B. Men aged 55 and above, and women aged 45 and above, with a cumulative working experience of 10 years or more, engaged in underground, high-altitude, high-temperature, particularly heavy physical labor or other work harmful to health;
C. Men aged 50 and above, and women aged 45 and above, with a cumulative working time of 10 years or more, must be certified by a hospital and confirmed by the Labor Appraisal Committee as having completely lost their ability to work;
D. If a person becomes disabled due to work-related injury, the hospital must provide a certificate, and the labor appraisal committee must confirm that the person has completely lost their ability to work.
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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		(4) The Taipei Office conducts regular health checks every two years. It was not conducted in 2025, 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 2025.	No significant discrepancy.
(4) Does the company set up the training programs for its employees to develop their effective occupational competency?	V		(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 2025, there were a total of 404 online and offline sessions, and each employee has received 6.04 hours of training on average.	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		(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.	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:

1. From January 4th to 5th, 2025, Grand Ocean Yichang Store, in conjunction with PetCute Store owners and pet lovers, will hold a charity adoption event. The store will also collaborate with an animal rescue association to host a "Winter Seeking Homes" campaign. The event will feature 6 booths and approximately 10 different activities, providing services to over 2,000 pet lovers and their pets, helping them find warm homes.
2. The Grand Ocean Center store hosted a "Pet Market" themed event, transforming the venue into a sea of joy and warmth. The "Pet Fun Games" attracted a large number of pet families to participate. Inside the arena, the agile figures navigating obstacles and the focused gazes during the fun retrieval competitions showcased not only physical strength and teamwork but also the beautiful bond between pets and their owners, making every moment of companionship shine. The event ultimately attracted over 200 pet lovers and citizens, with 70 pet families participating in the fun games. A total of 10 stray cats were successfully found new homes.
3. On April 26, 2025, the second annual "Books for Flowers" charity event was launched at the Quanzhou store. Participants exchanged their unused books for fresh green plants, allowing knowledge to circulate and greenery to take root. Old books carry the knowledge and stories of bygone years, while green plants symbolize vibrant life and hope. This beautiful connection of exchanging books for greenery gave unused books a new home and brought a touch of fresh greenery into life, adding a touch of joy to daily life. This

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	

event gave away 105 potted plants and collected 456 unused books. This small act of kindness allowed knowledge to be passed on and greenery to spread, creating a two-way flow of beauty.

4. On July 23, 2025, Grand Ocean 1000 Trees Store delivered a summer heat relief gift set—a green gift box for heatstroke prevention. The gift box contained a variety of practical care items covering personal hygiene, sun protection, and cooling comfort, including Hazeline shampoo, Hazeline shower gel, Super Power underwear laundry detergent, cooling patches, Crest toothpaste, Fanzhen Hanchan sunscreen, Longhu cooling peppermint essential oil, and Longrich floral water. The gift set was delivered to the Putuo District Fire and Rescue Brigade in Shanghai to extend summer greetings to the firefighters!
5. On December 16, 2025, a store in Nanjing held an employee charity donation event themed "Warmth Relay, Clothing Together on the Road." All the supplies filled with care—162 pieces of winter clothing, 80 pairs of gloves, 80 pairs of socks, 62 scarves, and 120 sets of stationery—are about to reach the children of Shangba Town, Nujiang, Yunnan. Let's not let old clothes drift away, let love cross the mountains, and may this warmth from afar accompany them through the cold winter and light up their hope for the future.

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.

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.	Detailed Sustainability Report 4.1 Climate-Related Informationsame
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).	Detailed Sustainability Report 4.1 Climate-Related Informationsame
III	Describe the financial impacts of extreme climate events and transformational actions.	Detailed Sustainability Report 4.1 Climate-Related Informationsame
IV	Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.	Detailed Sustainability Report 4.1 Climate-Related Informationsame
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.	Context analysis tools have not yet 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.	Detailed Sustainability Report 4.1 Climate-Related Informationsame
VII	If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	The pricing for exploration was not yet planned for that 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.	Detailed Sustainability Report 4.1 Climate-Related Informationsame
IX	Greenhouse gas inventory and confirmation status, reduction target strategy and specific action plan (fill in 1-1 and 1-2).	Grand Ocean's Taipei office completed its greenhouse gas inventory for the current year, but has not yet implemented a confirmation measure.

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 CO2e), intensity (tonnes CO2e/million dollars) and data coverage for the most recent two years.
According to the sustainable development roadmap for listed companies, greenhouse gas emissions checks on individual companies and consolidated subsidiaries are expected to be conducted in 2026. The checks on individual companies are expected to be completed in 2028, and the checks on consolidated subsidiaries are expected to be completed in 2028. Data for 2024 covers the scope of GORG's Category 2(Electricity purchased from external sources only) Greenhouse gas emissions in 2024 (metric tons CO2e): 76,296 Density in 2024 (metric tons CO2e/million yuan): 23.59 Data for 2025 covers the scope of GORG's Category 1、2 Greenhouse gas emissions in 2025 (metric tons CO2e): 46,992 Density in 2025 (metric tons CO2e/million yuan): 17.08

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.
Of the total greenhouse gas emissions disclosed by our company, 76,296 metric tons of CO2e will be emitted in 2024 and 46,992 metric tons of CO2e will be emitted in 2025 (accounting for 100% of the 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 2025 will be set as the base year for individual companies and consolidated subsidiaries. Indicator 2： Greenhouse gas verification for individual companies will be completed by mid-2028. Greenhouse gas verification of consolidated subsidiaries will be completed in mid-2029. Greenhouse gas emissions are projected to decrease by 10% by 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				
(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 briberies; 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,	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	
			manufacturing, offering or selling, are prohibited. Meanwhile, through trainings, the ethical corporate 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.	
(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		(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.	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.

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	
(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 of directors in order to supervise their implementation status?	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 "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. The company's progress in promoting corporate integrity in 2025 was submitted to the 30th meeting of the 6th Board of Directors on November 13, 2025.	No significant discrepancy
(III) Does the company make the policies to prevent a conflict of interest, provide an adequate channel for appeals, and perform them exactly?	V		(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. 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	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	
			interests of the company, they shall recuse themselves from discussion and voting.	
(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 dishonesty prevention plans?	V		(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.	No significant discrepancy.
(V) Does the company regularly host the internal/external education programs of the ethical management?	V		(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. Our company conducted an on-site course on October 31, 2025, entitled "Corporate Integrity Management and Fraud Prevention Practices (including promotion of integrity management and prevention of insider trading)," providing 3 hours of educational guidance to a total of 7 participants.	No significant discrepancy.
III Operation of Whistleblower System of the company				

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) 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?	V		(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.	No significant discrepancy.
(II) Has the company established standard operating procedures for accepting complaint reports, and adopted the follow-up measures and related confidentiality mechanisms after the investigation is completed?	V		(II) 1. The Company has established the principles for accepting reports, investigation procedures, follow-up measures for investigation reports, and protection of reporters in its "Reporting System". 2. Acceptance Principles: (1) After receiving a report, the responsible personnel shall immediately file a case. (2) After accepting a report, the responsible personnel shall first determine whether the case meets all of the following investigation requirements: A. The reporter's name, ID number, and contact information; B. The name of the person being reported or other characteristics or information sufficient to identify the person being reported;	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	
			C. The specific reasons for the report and the evidence available for investigation. (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. (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. 3. Investigation Procedures (1) The project leader or investigation team shall conduct a detailed and prudent investigation of the report case and the circumstances involved. (2) During the investigation, if necessary, the reporter may be asked to explain and provide relevant information, and other relevant departments or external experts may be asked to provide assistance. (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. (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. 4. Confidentiality Mechanism (1) Except for the purpose of complying with laws or cooperating with public authorities' investigations, or for information that is publicly known, the responsible	

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	
			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. (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. (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 expiration of the preservation period, the files shall be kept until the lawsuit is concluded.	
(III) Does the company take any measure protecting a whistleblower from being improperly treated due to the whistleblowing?	V		(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 2025, the company received a total of 0 reports.	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	
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.

“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

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GRAND OCEAN RETAIL GROUP LIMITED
Statement of Internal Control System

Date: Mar 30, 2026

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, 2025, 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 30, 2026, 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

Grand Ocean Retail Group Ltd. G.O.R.G. Cayman Islands

Chairman Signature: Lee Eng Leong

LEE ENG LEONG

General Manager Signature: Ng Qing Hai

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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	2025.03.14	1. Assessment and appointment of the independence and competence of the CPA. 2. Self-consolidated financial statements for 2024. 3. The time, place, purpose, and method of convening the 2025 Annual General Meeting of Shareholders, and related matters during the period when share transfer is suspended. 4. Matters related to the acceptance of shareholder proposals 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. Lifting the non-competition restriction on directors.
Board of Directors	2025.03.28	1. Annual Business Report and Consolidated Financial Statements 2024. 2. Statement of Internal Control System 2024 of the company. 3. Audit Committee Audit Report for 2024 4. Remuneration Distribution to Employees and Directors for 2024. 5. Loss Recovery Statement for 2024. 6. It is proposed to withdraw FSC's role as a joint guarantor for the US$8 million financing facility of our company from Entie Commercial Bank. 7. Revise certain articles of the Company's Articles of Association. 8. The Company's proposed investment in establishing a subsidiary in China. 9. 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.” 10. Lifting the non-competition restriction on directors.
Board of Directors	2025.04.29	1. The Company intends to invest in and establish a subsidiary in China to handle the lease matters for floors 1-3 of Fuzhou Grand Ocean.

	Date	Topic Discussions
Board of Directors	2025.05.14	1. Consolidated financial statements for the first quarter of 2024. 2. Our major subsidiary, Grand Citi Ltd., intends to adjust the interest rate on loans from our company to our funds. 3. The company intends to apply to First Steamship S.A. for a loan amount of USD 9 million. 4. 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.”
Board of Directors	2025.07.11	1. The company intends to apply to First Steamship S.A. for a loan amount of USD 10 million.
Board of Directors	2025.08.27	1. The Company’s 2025 Sustainability Report has been completed. 2. Consolidated financial statements for the second quarter of 2025. 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.”
Board of Directors	2025.09.05	1. Our company intends to obtain a financing facility of US$10 million from the Hong Kong branch of China Trust Commercial Bank Co., Ltd.
Board of Directors	2025.10.16	1. The Company intends to obtain a financing facility of US$16 million from the Taipei Branch (International Financial Services Branch) of Bank of East Asia Limited. 2. Revise certain clauses of the company's internal control system related to sustainable information management. 3. Plan to organize further education courses for directors.
Board of Directors	2025.11.13	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 2025. 3. We plan to revise the company's internal audit system and implementation rules. 4. KPMG accountants' audit of the publicly funded case in 2025.
Board of Directors	2025.12.30	1. 2026 Financial budget. 2. To formulate general principles for the company's policy on pre-approval of non-confidential services. 3. The Company’s 2026 Audit Plan. 4. KPMG accountants reviewed the public expense adjustment proposal for 2025.

	Date	Topic Discussions
		5. Appointment of New Accountants and Assessment of the Competency and Independence of Certified Public Accountants. 6. The Company's Operating Cash Flow Improvement Plan.
Board of Directors (Interim)	2025.12.30	1. To nominate a new chairman for the company.

2 Contents and implementation of important resolutions of the 2025 General Meeting of Shareholders:

	Date	Topic Discussions
General Meeting of Shareholders	2025.06.1	1. Approval of the 2024 business report and consolidated financial statements. Implementation status: Resolution passed. 2. Approve the loss compensation proposal for 2024. Implementation status: Resolution passed. 3. Approved to revise some of the provisions of the company's " Articles of Association". Implementation status: Implement in accordance with the revised provisions. 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 2025 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	2025/01/01 ～ 2025/12/31	15,293	897	16,190	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	■Yes □No
2. No major financial interested relationship with the client.	■Yes □No
3. Avoiding any improper relationship with the client.	■Yes □No
4. The accountant should supervise their assistants to strictly comply with honesty, justice and independence.	■Yes □No
5. The accountant is prohibited from auditing certification for the company's financial report where he/she has served in	■Yes □No
6. The accountant's identification is forbidden to be infringed by	■Yes □No
7. The accountant does not hold any shares in the company or	■Yes □No
8. The accountant does not owe any debt to the company or its	■Yes □No
9. The accountant is not in any joint investment or benefit-sharing relationship with the company or its subsidiaries.	■Yes □No
10. The accountant is not employed and paid regularly by the company or its subsidiaries.	■Yes □No
11. The accountant does not interfere with any management function towards decision-making in the company or its	■Yes □No
12. The accountant does not run any business which will probably deprive him/her of audit independence.	■Yes □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	■Yes □No
14. The accountant does not receive any commission which is	■Yes □No
15. Up to now, the accountant hasn't been punished for violating any audit independence principle.	■Yes □No

Board of Directors evaluation date: December 30, 2025

V Information on Accountant Change:On December 30, 2025, the Board of Directors of the Company approved the internal rotation of the certified public accountant Chgang Shu-Ying of KPMG to Chen Zongzhe. Starting from 2026, the certified public accountants of the Company will be Pan Junming and Chen Zongzhe.

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 2025		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	First Steamship S.A	(45,276,000)	—	(504,000)	—
	Representative: Lee Eng Leong	—	—	—	—
Director of the Board	Kuo Jen Hao	—	—	—	—
Chairman as well as GM	First Steamship Co., Ltd.	(9,115,000)	—	(437,000)	—
	Representative: Ng Qing Hai	—	—	—	—
Director of the Board	Lee Seng Chay	—	—	—	—
Independent Director (Note1)	Ding Jin Huei	—	—	—	—
Independent Director (Note1)	Sher Ching Yee	—	—	—	—
Independent Directo (Note1)r	Lee Jenn Yuh	—	—	—	—
Accounting Supervisor	Li Chao	—	—	—	—
Shareholder who has at least 10% Shareholding	Trinity Gold Limited	53,592,000	—	—	—
Shareholder who has at least 10% Shareholding	First Steamship S.A	(45,276,000)	—	(504,000)	—

(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 18, 2026; 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	
Trinity Gold Limited	53,592,000	27.41%	—	—	—	—	—	—	—
Principal：Kuo Jen Hao	—	—	—	—	—	—	—	—	—
Mega International Commercial Bank Co., Ltd. Acting as Custodian for the Investment Account of FIRST STEAMSHIP S.A.	45,780,000	23.41%	—	—	—	—	First Steamship Company Ltd	Parent and subsidiary companies	—
Principal：Kuo Jen Hao	—	—	—	—	—	—	—	—	—
First Steamship Company Ltd	10,000,000	5.11%	—	—	—	—	First Steamship S.A.	Parent and subsidiary companies	—
Principal：Kuo Jen Hao	—	—	—	—	—	—	—	—	—
Hou Zheng	2,938,000	1.50%	—	—	—	—	—	—	—
CTBC Bank Employee Stock Ownership Trust Account of Grand Ocean Retail Group Limited	2,915,000	1.49%	—	—	—	—	—	staff	Employee subscription to treasury stock trust account
Liu Hongrun	2,267,000	1.16%	—	—	—	—	—	—	—
Qiu Hongsen	2,000,000	1.02%	—	—	—	—	—	—	—
Huang Shih chieh	1,750,000	0.89%	—	—	—	—	—	—	—
Xu Yongming	1,681,000	0.86%	—	—	—	—	—	—	—
Zhong Kunzhu	1,640,000	0.84%	—	—	—	—	—	—	—

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	Note1	100.00	—	—	Note1	100.00
Grand Ocean Classic (Shanghai) Commercial Limited	Note1	100.00	—	—	Note1	100.00
Nanjing Grand Ocean Classic Commerce 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 Crand Ocean Commerce Limited	Note1	100.00	—	—	Note1	100.00
Fuzhou Grand Ocean Select Commercial Limited	Note1	100.00	—	—	Note1	100.00
Quanzhou Grand Ocean Commerce Limited	Note1	100.00	—	—	Note1	100.00
Wuhan Grand Ocean Classic Commercial Development Limited	Note1	100.00	—	—	Note1	100.00
Whhan Optics Valley Grand Ocean Commercial Development Limited	Note1	100.00	—	—	Note1	100.00
Wuhan Hanyang Grand Ocean Classic Commercial Limited	Note1	100.00	—	—	Note1	100.00
Fuzhou Grand Ocean Classic Commerce Limited	Note1	100.00	—	—	Note1	100.00
Hengyang Grand Ocean Commercial Development Limited	Note1	100.00	—	—	Note1	100.00
Yichang Grand Ocean Commerce Limited	Note1	100.00	—	—	Note1	100.00
Hefei Grand Ocean Classic Commercial Development Limited	Note1	100.00	—	—	Note1	100.00
Shiyan Optics Valley Grand Ocean Commercial Limited	Note1	100.00	—	—	Note1	100.00
Shanghai Jingxuan Business Administration Limited	Note1	100.00	—	—	Note1	100.00
Fuzhou Jiaruixing Business Administration Limited	Note1	100.00	—	—	Note1	100.00
Shanghai Grand Ocean 1000 Trees Commercial Management Co., Ltd	Note1	100.00	—	—	Note1	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 Proceeds Offset by Assets 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 Classification	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 18,2026；shares

Name of major shareholder	Shares in Hand	Shareholding Ratio
Trinity Gold Limited	53,592,000	27.41%
Mega International Commercial Bank Co., Ltd. Acting as Custodian for the Investment Account of FIRST STEAMSHIP S.A.	45,780,000	23.41%
First Steamship Company Ltd	10,000,000	5.11%
Hou Zheng	2,938,000	1.50%
CTBC Bank Employee Stock Ownership Trust Account of Grand Ocean Retail Group Limited	2,915,000	1.49%
Liu Hongrun	2,267,000	1.16%
Qiu Hong sen	2,000,000	1.02%

Name of major shareholder	Shares in Hand	Shareholding Ratio
Huang Shih Chieh	1,750,000	0.89%
Xu Yong ming	1,681,000	0.86%
Zhong Kunzhu	1,640,000	0.84%

(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 2025 Loss Recovery Statement approved by the Board on March 30, 2026, 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 30 2026 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 2025 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

I 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	2024		2025	
	Amount	Rate (%)	Amount	Rate (%)
Joint Counter	839,261	25.94%	663,259	24.11%
Direct Counter	529,614	16.37%	447,915	16.28%
Rent, other income and management consulting fees	1,866,040	57.69%	1,640,080	59.61%
Total	3,234,915	100.00%	2,751,254	100.00%

3 Current commodities of the company: Same as 1.

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

At the core business level, we will build upon the strengths of our anchor stores in key business segments, continuously optimize our brand portfolio, and deepen our focus on experiential formats to consolidate and expand our market share. In terms of expansion models, we will strive to develop a management output model, leveraging our management expertise to create new revenue and profit drivers. Regarding digital operations, we will fully activate our online borderless retail functions, deepen strategic cooperation with partner companies, and implement refined, tiered management and optimization upgrades for our group membership system and WeChat mini-program system. In terms of our business development strategy, we will collaborate with the investment promotion department to actively introduce brands with market vitality and potential, focusing on expanding entertainment experiences, education and training, boutique supermarkets, and iconic restaurants to create a more competitive business environment.

(II) Industry Overview

1 Current Status and Development of the Industry

According to the latest report from the National Bureau of Statistics, China's GDP reached RMB 142 trillion in 2025, with a nominal growth rate of 4.3% and a real growth rate of 4.9% at constant prices, basically achieving the annual target. However, although the GDP deflator has improved, it remains volatile at a low level, indicating that the downward pressure on overall prices has not been fully released, and there are still concerns about deflation in the market.

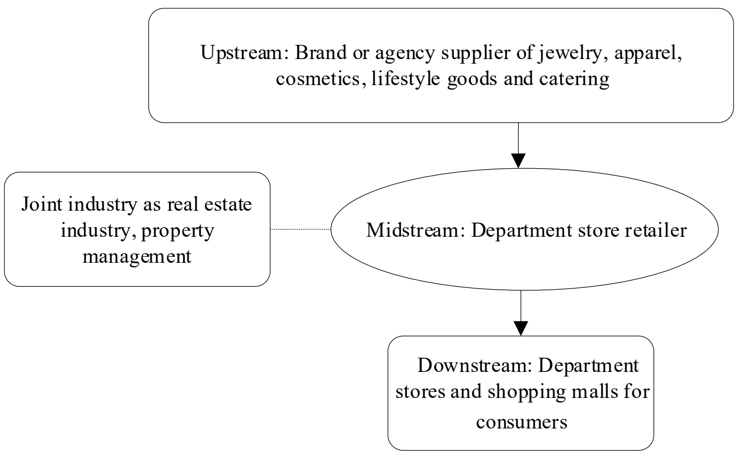
Total retail sales of consumer goods for the year reached approximately RMB 50.6 trillion, representing a year-on-year increase of 3.8%. December alone saw retail sales of approximately RMB 4.7 trillion, a year-on-year increase of 4.1%, with the growth rate rebounding by about 0.6 percentage points compared to the previous month. Driven by the government's continued expansion of the "trade-in" subsidy policy, sales of home appliances, new energy vehicles, and mobile communications saw significant growth. Furthermore, tobacco and alcohol consumption maintained strong growth, benefiting from year-end holidays and Spring Festival stockpiling. However, categories highly dependent on department stores, such as gold and jewelry, clothing, and cosmetics, saw annual growth hovering around 1%, indicating a still weak recovery.

According to data monitored by the China National Commercial Information Center, the total retail sales of 50 key large-scale retail enterprises (mainly department stores) across the country declined by about 3.8% throughout the year. Although the year-on-year growth rate of retail sales of these 100 key large-scale retail enterprises turned slightly positive to 0.5% in December, which was better than the annual average, physical department stores still face severe challenges of consumer diversion and structural transformation.

In 2025, China's per capita disposable income is projected to reach approximately 43,000 yuan, representing a real growth of 5.2%; per capita consumption expenditure is projected to reach approximately 30,000 yuan, representing a real growth of 5.3%. Looking at the expenditure structure, spending on education, culture, and entertainment is expected to grow at an annual rate of 12%, accounting for 12% of total expenditure; spending on transportation and communication is expected to grow at an annual rate of 8%, accounting for 14% of total expenditure; while the proportion of spending on clothing and household goods continues to decline to around 4.5%, indicating a shift in consumption focus towards service-oriented consumption. Although GDP growth in 2025 is expected to meet projections, and consumption momentum rebounded somewhat in the fourth quarter, considering the hindered export growth following the implementation of Trump's tariff policies, the current 3.8% growth in domestic retail sales is insufficient to fully absorb domestic production capacity demand. Further government intervention to boost investment and consumption will be necessary in the future.

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

As retail models continue to innovate and break through under the wave of AI and big data technologies, the development of the retail industry chain has established a new direction of "digital-physical integration," transforming and upgrading into a smart new retail business model through digital transformation. The booming development of the new retail industry also confirms that traditional marketing models are no longer sufficient to meet the needs of the new consumption era in order to satisfy consumers' dual psychological needs for "emotional value" and "efficiency." This analysis examines the development trends of the retail industry from six key perspectives.

(1) Agile Retail Transformation with a Consumer-Centric Approach

To cope with a market environment with distinct consumer segmentation, the business is shifting from a "channel-is-king" development mindset to a "user asset-is-king" approach. New retail digital platforms will have stronger algorithmic recommendation and precise matching features: the focus of business development will shift from simply urban core business districts to "community life centers." The consumer goods market will see more retail brands with local cultural characteristics and high cost-performance ratios, changing the past phenomenon of "one store, one policy" and instead pursuing refined operation.

(2) The Scene Revolution of Technology Empowerment and Immersive Experience

First, retailers are leveraging smart applications such as generative AI, smart dressing mirrors, augmented reality (AR), and unmanned retail terminals to provide consumers with immersive and scenario-based shopping experiences. Second, product features will continue to iterate rapidly, with AI-connected technology products becoming a new way for consumers to improve their quality of life and express their individuality. Third, retail brands will more clearly convey their brand value propositions to consumers, with merchandise displays aimed at "lifestyle proposals," and in-store product selection focusing more on cross-industry integration and aesthetic presentation.

(3) Deep Integration of Brand Value and ESG Sustainability Culture

China is transforming from the world's factory into one of the world's largest consumer markets. Despite facing a slowdown in growth, "rational prosperity" has become the new main theme. Brands and retailers will seize the opportunity of upgrading domestic demand and build consumer confidence in three aspects: upholding cultural confidence (such as the new Chinese aesthetics), deeply cultivating the ESG sustainable development concept, purifying the market environment, building a trustworthy and transparent fulfillment system, and returning to the essence of products and the spirit of craftsmanship.

(4) Further integration of online and offline methods

With the mobile internet traffic boom reaching its peak, the focus of e-commerce competition has shifted from "traffic acquisition" to "existing customer management": breaking time and space limitations through "instant retail" to improve fulfillment efficiency and service quality; actively developing offline experience stores; and deeply binding the interests of e-commerce platforms and physical stores through capital cooperation and data integration to achieve an omni-channel business model of "ordering online and shipping from stores," thus entering a substantial profit-making stage of seamless online-offline integration (OMO).

(5) The convergence and development of cross-border ecosystems and service-oriented consumption

The construction of future smart retail platforms will continue to develop towards an aggregated, ecosystem-based business environment: focusing on the needs of the "silver economy" and "self-indulgent consumption," integrating the supply chain advantages of retail giants, and developing production service enterprises such as financial payment, cold chain logistics, and big data consulting in an ecological manner, which will not only improve the operating efficiency of large retail enterprises, but also significantly enhance the quality and convenience of residents' consumption.

(6) Community-based management of private domain traffic and content monetization

In the information age, the information asymmetry between businesses and consumers has been eliminated, and the effectiveness of one-way advertising is diminishing. The word-of-mouth and trust of KOCs (Key Opinion Consumers) have become crucial for brands to acquire customers. Therefore, retailers will continuously strengthen their "private domain traffic" attributes: utilizing mainstream social media platforms such as WeChat, Xiaohongshu, and Douyin; maintaining high-frequency interaction with consumers through content marketing; and building highly engaged brand communities to achieve the conversion from "traffic" to "customer retention."

4 Competetion

According to annual statistics from LianShang.com and Winshang Big Data, since 2025, the structural adjustment of China's department store retail industry has entered a critical phase, with established department stores and large shopping malls across the country continuously announcing closures or undergoing asset restructuring. Following the complete withdrawal of Japanese department store Isetan from the Shanghai and Tianjin markets in 2024, the wave of store closures in 2025 has extended from foreign-invested enterprises to leading domestic retailers, including the demolition and reconstruction of Shanghai No. 6 Department Store and the downsizing of some regional department stores in response to shifts in business districts. The exit of these traditional department stores demonstrates that under the dual pressures of consumption stratification and the impact of digitalization, a single retail model lacking experiential elements is no longer sustainable.

A deeper analysis of the main reasons for store closures and losses reveals that, in addition to objective factors such as lease expiration, the core issues are soaring operating costs, a sharp decline in offline customer traffic, and the strong diversion of customers by instant retail. Looking back at commercial projects that closed between 2024 and 2025, most showed a continuous increase in losses in their financial reports the year before closure. This indicates that without the support of high-frequency experiential formats such as catering and entertainment, the high labor and rental costs of traditional department stores can no longer be covered by increasingly thin gross profit margins on merchandise sales, resulting in a long-term state of operating at a loss.

According to monitoring data from the China General Chamber of Commerce and related institutions, by the end of 2025, the recovery of customer traffic in the department store sector showed a clear K-shaped divergence, with approximately 60% of traditional department stores still failing to recover to 2019 levels. The main challenges facing the industry have shifted from the simple impact of e-commerce to "rationalized consumer decisions" and "the diversion of experiential consumption." Although mass-market department stores are generally under pressure, high-end commercial complexes with scarcity (such as SKP and Hang Lung Plaza) have maintained relatively resilient revenue. Meanwhile, department stores actively transforming into "community life centers" have become bright spots in the industry, breaking through the trend by accurately meeting the high-frequency needs of surrounding residents.

According to Winshang Big Data's latest forecast for the commercial real estate market in 2026, approximately 415 commercial projects are expected to open nationwide in 2026, adding about 33 million square meters of commercial space. This figure represents a continued downward trend compared to 2024 and 2025. Compared to the peak in 2019 before the pandemic, the new supply in 2026 has decreased by more than

50%. This reflects that against the backdrop of a real estate market entering a period of adjustment and more cautious consumption, developers have significantly reduced their heavy asset investment and instead focused on the renovation and refined operation of existing assets. The market development logic has shifted from the past "scale expansion" to "stock optimization" and "quality and efficiency improvement."

(III) Technology and R&D Overview

Our group operates in the department store retail industry and does not participate in product research and development or manufacturing; therefore, we have no R&D plans or expenses. However, our key management personnel, including department directors and store managers, all have 10 to 20 years of experience in the department store and retail industry. They possess extensive experience in marketing planning, tenant recruitment and adjustments, and store selection and management. In recent years, we have been actively promoting young management personnel, further rejuvenating our store manager and managerial positions. In particular, our recent selection of promising young talents from key universities, after careful training, have already assumed important roles in various stores and the Boundless Retail Business Department, playing a crucial role. Going forward, to meet the company's future development needs, we will further strengthen talent development and training, reserve and appoint more outstanding retail management talent to our stores, thereby improving the level of store operation and management.

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

1 Short-term Business Development Plans of the company

1.1 Plan the entire year's integrated marketing schedule in a coordinated manner, strengthen the synergy between store planning and operations, optimize the return on investment (ROI) of activities through precise marketing strategies, and achieve innovative breakthroughs and upgrades in marketing models and tangible benefits.

1.2 Integrate internal and external resources to comprehensively improve investment attraction strategies and operational management quality, and strive to optimize the shopping environment and service experience, thereby enhancing customer loyalty and repurchase rate with high-quality spatial scenarios.

1.3 Deepen the membership tiered management system and improve the functional architecture of the online sales system. Through seamless online-offline (OMO) integration, effectively enhance member loyalty and lifetime value.

1.4 Actively develop diversified sales channels, make efficient use of digital platforms such as WeChat mini-programs, Xiaohongshu, Douyin, and Meituan for omnichannel operations, and continuously optimize the digital payment experience to enhance customer dependence and stickiness to the platform.

1.5 Emphasize the renovation and upgrading of existing assets. Based on the characteristics of the business district and its own advantages, accurately target the customer group, formulate differentiated renovation strategies, and introduce benchmark brands with market competitiveness to optimize the business mix.

2 Our mid-long term business development plans.

2.1 The company's operating theme for 2026 is "Taking the platform as a starting point, integrating diverse and intelligent resources; focusing on customers, enjoying the cool, elegant and refined Jingdian experience," and will continue to strive to cultivate the existing market, expand the business scope, further seize market share, and enhance the company's brand influence.

2.2 Explore the possibilities of expanding into new markets and new models, innovate the company's management model, and cater to the needs of market development.

2.3 Continue to deepen the management of the membership system, enhance the hierarchical management of members, manage members scientifically, achieve precise services, and increase consumer loyalty.

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 Deepen the refined operation of membership programs to improve member consumption conversion.

In 2025, the group had 346,000 members with spending records, and plans to increase this number to 400,000 in 2026. Dayang will focus on refined member operations to significantly improve member conversion rates. First, leveraging WeChat mini-program member data, the group will comprehensively analyze core dimensions such as member spending frequency, spending amount, recent spending time, and spending preferences to accurately target customer groups and distribute brand coupons and discounts, achieving precise reach and efficient conversion. Second, the group will optimize its member benefits system, enriching exclusive member perks, strengthening member identity, enhancing member loyalty and engagement, and driving repeat purchases. Third, the group will integrate its leased store member statistics system, comprehensively incorporating the spending of leased merchants into the group's membership system to ensure the completeness and accuracy of member data, providing data support for refined operations.

3.2 Continue efforts to reduce empty display cases and optimize the product category layout for bidding.

As of the end of 2025, the group still had 37,000 square meters of vacant retail space. In 2026, we will focus on the core goal of reducing vacant retail space to 20,000 square meters, continuously increasing our efforts in attracting investment, and concentrating on three core categories to create a differentiated competitive advantage. First, we will focus on developing gold and jewelry brands. Currently, the gold consumer group is becoming increasingly younger, with the proportion of consumers born in the 1990s steadily rising. Gold jewelry, with its "wearable asset" attribute, boasts a value retention rate of up to 80%, far exceeding the 30% retention rate of trendy brands. We will increase our efforts to connect with high-quality gold and jewelry brands to strengthen our ability to attract customers to our core categories. Second, we will cultivate the domestic cosmetics market. With the rise of domestic brands such as Mao Geping and Lin Qingxuan, consumer recognition of domestic products continues to increase. We will closely follow market trends and actively introduce more high-quality domestic cosmetics brands to cater to mass consumer preferences. Third, we will appropriately supplement our apparel business to promote its diversified development. Although apparel is not currently our main business, it is an excellent vehicle for extending customer dwell time and increasing user stickiness. The ultimate competition in retail is a battle for people's hearts and trust. We will continue to win consumers' recognition and trust through a high-quality combination of business formats.

3.3 Replicate successful cooperation models and expand business scope

The franchise model between Shanghai 1000 Trees Store and the "Benlai" brand has achieved remarkable results. The core of this model lies in the group's deep involvement in brand management, which effectively ensures the quality of the business format and improves the group's operating revenue. In 2026, we will promote the full replication of this successful model to all stores, allowing each store to invest a small amount of capital in high-quality brands and attract brands to join as franchisees, achieving mutual benefit and win-win results. Each store will base itself on the actual local market conditions, conduct in-depth research on consumer demand, accurately select cooperative brands suitable for the local customer base, and formulate detailed and feasible cooperation plans.

3.4 Strengthen talent cultivation and improve incentive mechanisms

To ensure the effective implementation of our 2026 work plans and the timely achievement of our goals, we will further optimize our performance evaluation system and strengthen its guiding role. We will comprehensively incorporate core operational indicators such as budget achievement, empty counter reduction, customer traffic growth, and membership conversion into the evaluation scope, clarifying evaluation standards, refining evaluation rules, and improving supporting reward and punishment measures. Stores and individuals who excel in various tasks and exceed their targets will receive significant rewards and incentives; those who fail to complete tasks on time or whose work is poorly implemented will be held strictly accountable. Through this rigorous evaluation mechanism, we aim to fully stimulate the enthusiasm and initiative of all colleagues, create a positive work atmosphere of learning from and surpassing each other, strive for excellence, and unite our efforts to promote the high-quality development of the group.

II Market and Products Selling Overview

(I) Market Analysis

1 Main Products Sales Region

NTD (thousand) ; %

Region	2024		2024	
	Amount	Rate	Amount	Rate
Asia (China)	3,234,915	100.00%	2,751,254	100.00%
Total	3,234,915	100.00%	2,751,254	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 comprehensive statistics from LianShang.com and Winshang Big Data, approximately 415 commercial projects (including existing renovation projects) are expected to open nationwide in 2026, adding about 33 million square meters of commercial building space. Overall, the new supply has significantly decreased compared to the peak before the pandemic, and the market has shifted from a development stage of "incremental expansion" to "existing stock optimization".

Looking at the distribution trends of the seven major regions, East China continues to maintain its absolute leading advantage, with the number of planned projects accounting for more than 40% of the national total, continuing to lead the country; South China remains firmly in second place, with a certain gap between it and Central China and Southwest China.

Looking at key cities, Shanghai still leads the country in the number of projects planned to open, thanks to its strong consumer resilience and the first-store economy effect. New first-tier cities such as Hangzhou, Nanjing, and Chengdu follow closely behind, indicating that commercial resources are still highly concentrated in economically developed core cities.

From a structural perspective, the development of commercial projects in 2026 shows a clear trend towards "polarization" and "community-oriented" development. Medium-sized commercial spaces of 50,000-100,000 square meters remain the mainstream choice. This size is best suited for creating regional one-stop shopping centers, effectively balancing the proportion of retail, catering, and experiential businesses. Notably, the proportion of "small but beautiful" community commercial spaces of 30,000-50,000 square meters has increased significantly. In the current context of fierce competition among large shopping malls, developers are more inclined to focus on community commercial spaces with high-frequency consumption. Small-scale projects possess unique competitive advantages in terms of cost control, operational flexibility, and refined management targeting specific customer groups. As long as the needs of the surrounding customer base are accurately identified, small-scale commercial spaces can also achieve high sales per square meter.

3.2 Change of Future Demands of Market

3.2.1 Department stores are accelerating their "de-department store" transformation and experiential upgrade.

After a long period of evolution in the retail industry, traditional large-scale department stores are now facing high saturation and structural challenges. With a high degree of brand homogenization (over 60% in some areas) and intensified competition, traditional department stores not only suffer from the diversion of customers to e-commerce and instant retail, but also face operational pressures from rising labor, rent, and property maintenance costs. To cope with the new consumption landscape, traditional department stores with a single business format are accelerating their transformation into "shopping mall-like" stores: by significantly reducing traditional retail space, introducing fashion flagship stores and curated retail spaces, and significantly increasing the proportion of experiential elements such as dining and social entertainment, the aim is to create a "third space" with emotional connection for consumers to meet diverse lifestyle needs.

3.2.2 Deep integration of online and offline channels

With the maturity of mobile internet technology, digitalization is no longer an option, but a standard requirement for survival. Currently, simply "testing the waters" of e-commerce is insufficient to cope with market changes; brick-and-mortar retailers are moving towards a "holistic operation" phase. On the one hand, traditional department stores are actively integrating with "local life" platforms such as Meituan and Douyin, utilizing the "instant retail" model to achieve rapid fulfillment within a 3-5 kilometer radius of their stores. On the other hand, through the construction of private traffic pools, they are converting offline customers into online members, achieving seamless online-offline integration and data sharing to resist the impact of pure e-commerce platforms.

3.2.3 Emphasize fragmented information acquisition and community-based decision-making

From the perspective of information acquisition paths, the market has shifted from a one-way advertising push to a decision-making model dominated by "user word-of-mouth" and "social algorithms." McKinsey and related research institutions point out that Chinese consumers encounter a significantly increased number of information touchpoints on average during a single purchase decision-making journey, and these touchpoints are extremely fragmented. Among them, the influence of "brand-oriented" touchpoints (such as in-store experiences and official advertising) is gradually being diluted by "social-oriented" touchpoints. Content from Xiaohongshu notes, KOC (Key Opinion Consumer) reviews, recommendations from friends and family, and short video platforms has become a key factor influencing consumer decisions. This means that retailers must possess stronger content production and community operation capabilities.

3.2.4 Chain operation, non-standardization and multi-business integration

The core of department store chain operations is shifting from "standardized replication" to "differentiated presentation under standardized management." To adapt to the localized needs of different business districts, "one store, one policy" and "non-standard commerce" are becoming new trends. While maintaining the advantages of a centralized supply chain and management back-end, stores are demonstrating greater flexibility in space design, business format combination, and brand introduction, actively integrating various business formats such as bookstores, art galleries, and markets to meet consumers' pursuit of personalization and uniqueness.

3.2.5 Strengthen self-operated and exclusive product planning capabilities

In an era of fierce competition for existing market share, department stores relying solely on the "sub-landlord" joint operation model will struggle to break through profit margin bottlenecks. Therefore, reshaping "product strength" has become an industry consensus. Positioning self-operated businesses as "differentiated features" and "profit supplements" is not only a crucial means of building competitive barriers but also a core competency that distinguishes department stores from standardized shopping malls. The experience of leading department stores both domestically and internationally shows that developing their own brands or acquiring exclusive agency rights not only generates higher operating profits but also strengthens consumer loyalty and stickiness to the channel's brands.

4 Competition Benefits

4.1 Excellent Geographical Location

In its physical retail strategy, Grand Ocean Group consistently focuses on prime commercial districts with high foot traffic and mature business functions. For example, over half of its current flagship stores directly benefit from the transportation advantages brought by the MRT (subway), with five stores seamlessly connected to underground MRT passages, achieving the advantage of "exiting the station and entering the store." In particular, the Nanjing Xinjiekou store, Wuhan Zhongshan store, and Fuzhou II store are all located at golden hubs where two or more subway lines intersect, enjoying massive passenger and financial flows. Furthermore, projects including the Shiyan store and the Fuzhou Dongjiekou underground street occupy traditional commercial landmark locations in the city's core; while the 1000 Trees project on the banks of the Suzhou River in Shanghai's Putuo District has successfully established a unique cultural and commercial position in the highly competitive Shanghai market as an art landmark.

4.2 Possess experienced department store management personnel

The Group's core management team and store general managers generally possess over 10 to 20 years of comprehensive experience in the department store retail industry. They have accumulated extremely rich practical experience in areas such as business development and procurement, marketing strategy planning, store site selection and evaluation, and refined operational management. This gives us a greater market acumen and competitive advantage in strategy formulation compared to our peers. Furthermore, the Group continuously optimizes its talent pipeline through internal senior management competition mechanisms, reserve cadre recruitment, training by senior industry lecturers, and cross-city rotations and exchanges, striving to build an elite operational team that is "young, professional, and highly educated."

4.3 Strong brand equity and member loyalty

For over two decades, Grand Ocean Department Store has cultivated the mainland market, accumulating substantial brand assets and a highly loyal core customer base through continuous optimization of service quality and shopping experience. We consistently prioritize meeting consumer needs, providing attentive and warm service. Building on this foundation, the Group will further strengthen its membership management and data analytics capabilities, striving to create retail spaces that align with the aesthetics and values of the new generation of consumers. Through brand rejuvenation, we aim to attract more new customers, establish a long-term, stable profit mechanism, and achieve the goal of sustainable business operation.

4.4 Implement a performance-oriented, scientific incentive system

To further enhance the management effectiveness of middle and senior executives and ensure the accurate achievement of the Group's annual operating targets, the Group will continue to deepen its company-wide performance accountability system in 2026. Adhering to the principle of "clear division of authority and responsibility," we break down performance indicators layer by layer to stores, departments, and even individuals, establishing a transparent and competitive reward and punishment mechanism. Through this scientific assessment system, we not only provide objective criteria for promotion and salary adjustments, but also exert a strong incentive effect, ensuring that multiple stores achieve their targets and receive substantial rewards, thus fostering a healthy internal competitive culture.

4.5 A resilient business philosophy that adapts to the times

The key to GORG Group's ability to withstand market fluctuations for over two decades lies in our strong capacity for self-reflection and our adaptable and transformative spirit. Looking back, we have weathered numerous market crises and challenges, each trial making our team more resilient and stronger. Facing the unprecedented changes brought about by AI digital transformation and shifting consumer structures, Dayang will continue to embrace the crisis awareness of the "post-pandemic era," demonstrating an indomitable spirit of perseverance, and fully launch its "Third

Entrepreneurship" plan, driving organizational restructuring and business innovation with an entrepreneurial mindset.

5 Merit, Demerit and Countermeasure of Development Prospect

5.1 Merit

5.1.1 New consumption patterns are developing steadily, and physical retail is experiencing a moderate recovery.

In 2025, with the government's continued promotion of policies to "expand domestic demand" and "trade-in programs" to stimulate consumption, the consumer market maintained a moderate recovery. New consumption models (such as instant retail and experiential consumption) developed rapidly, demand for green upgrades continued to be released, and essential goods categories showed good growth.

According to data from the National Bureau of Statistics, the total retail sales of consumer goods in 2025 reached approximately RMB 50.6 trillion, representing a year-on-year increase of 3.8%. In December alone, the year-on-year growth rate of total retail sales rebounded to 4.1%. Benefiting from national subsidy policies, sales of durable goods such as home appliances and communication equipment increased significantly, and year-end holidays boosted the consumption of tobacco and alcohol, maintaining a high growth rate.

5.1.2 The domestic market is enormous, and the consumption structure continues to upgrade.

The fundamental trend of China's consumer market remaining positive in the long term remains unchanged. Despite short-term fluctuations, the full recovery of post-pandemic consumption scenarios has led to significant improvements in contact-based service consumption, such as catering and tourism. Looking at long-term potential, China boasts a population base of over 1.4 billion, a continuously rising urbanization rate, and enormous potential in lower-tier markets (county and township markets), strongly supporting the stable development of the consumer market. The trend of consumption upgrading has not stalled due to economic cycles; on the contrary, under the trend of "rational consumption," residents' demand for quality, environmentally friendly products, and emotional value continues to increase. With the digital innovation of consumption scenarios, the consumption structure is continuously optimizing and upgrading.

5.1.3 Solid brand assets and market reputation

For over two decades, Grand Ocean Department Store has cultivated the mainland retail market, accumulating profound operational strength and practical experience. It has successively established a presence in core cities along the Yangtze River, and its brand enjoys widespread consumer trust and recognition. In particular, the successful operation of the Shanghai Ocean Thousand Trees project, with its unique architectural aesthetics and art curation, has successfully attracted customers from across the country and even internationally, earning the group top-tier market attention and brand awareness.

5.1.4 A professional management team with profound experience

Our core management team and store general managers generally possess over 10 to 20 years of comprehensive experience in the retail industry, with extensive practical experience in business development, procurement, marketing strategies, and operational management. This gives Dayang a competitive edge over its peers in store location selection and market responsiveness. In a highly competitive existing market, this experienced management team is a core asset that is difficult for other companies to replicate.

5.2 Demerit

5.2.1 Business philosophy out of touch with fashion trends

The department store industry is essentially a trendsetting industry. Large shopping malls are not only fashion trendsetters and consumer hubs, but also represent the prosperity of a city's commerce and serve as a core channel for high-end brands to establish their market presence. Operating a department store requires a deep understanding of fashion trends to accurately match brands with services.

While China's retail industry currently boasts advantages in digital applications and convenient experiences, it still needs to learn from international benchmarks in some areas. Local department stores have room for improvement in visual merchandising, window display design, merchandise management, and meticulous service. The core issue lies in the fact that most stores still adhere to traditional thinking, lacking sensitivity to fashion changes and a sense of urgency to transform, leading to a disconnect between their business philosophy and the needs of the new generation, resulting in a supply-demand mismatch.

This traditional mindset stems partly from organizational constraints, such as the lack of motivation for management change in some state-owned enterprises; another reason lies in the age structure of the decision-making team. Observing the information on senior executives of listed department stores, the proportion of members born in the 1960s and 1970s is extremely high, lacking a youthful perspective. Conversely, a common feature of trendy shopping malls that have performed exceptionally well in recent years is the increasingly younger operating teams.

Countermeasure:

The retail industry is currently at the intersection of digital transformation, quality upgrades, and mindset reshaping. Businesses should actively introduce cross-disciplinary professionals and young management teams, leveraging the new generation's intuition and sensitivity to consumer trends to transform business perspectives, provide product mixes and services that better align with social trends, and accurately meet market demands.

5.2.2 The development strategy and core direction are unclear.

In a macro environment of slowing retail market growth and pressure on performance, how companies define their own positioning is a key strategic consideration. Regarding industry choices, should they stick to their core retail business? Some competitors have already begun to diversify into new energy, co-working spaces, digital payments, or the healthcare industry, but the substantial effectiveness of these cross-industry transformations remains to be seen.

In terms of business strategy, will the department store industry continue to focus on development? Some advocate for "shopping mall transformation," but due to the existing property structure and size of department stores, successful transformation cases are extremely rare. Most can only make partial optimizations (such as adding family-friendly spaces or trendy restaurants) to maintain the existing department store structure.

In terms of tactical execution, there are often internal disagreements about whether to maintain the pace of expansion, increase investment in digital R&D, or increase the proportion of self-operated businesses. There is a lack of unified strategic consensus and a target system, which leads to a fragmented transformation effort.

Countermeasure:

Department stores excel in the depth of "merchandise management" compared to shopping malls. While department stores don't have complete control over brand inventory and pricing, they possess a core advantage in brand planning and portfolio development. The essence of retail remains goods and services; department stores should strengthen their precise control over "goods" by enhancing service details and optimizing the spatial atmosphere to improve the enjoyment and comfort of shopping.

5.2.3 Lack of means for growing performance

In a highly competitive market, most businesses lack effective ways to boost performance when faced with fluctuating customer traffic. While there are many ways to improve performance, the execution thresholds vary. For example, opening a new store requires significant capital expenditure and faces the risk of market saturation in the surrounding area; developing multi-brand stores requires a strong purchasing team and brand support; adding experiential businesses can attract customers, but may dilute sales per square meter and commission revenue; and developing self-operated businesses faces challenges related to professional talent and cash flow.

In terms of omnichannel operations, while some companies have achieved growth through social media marketing, live streaming, and mini-program ecosystems, their performance has varied significantly. Companies with digital foresight can adapt quickly to changes and transform online channels into new growth drivers. However, many department stores, despite a consensus on transformation, have limited resources, resulting in digitalization remaining only at the internal management level. Platforms launched on short notice are unable to support long-term business needs, leaving them in a dilemma.

Countermeasure:

Online retail is not something that can be achieved overnight, and the situation cannot be turned around by a single innovation. Retail competition lies in the accumulation of details. It requires the development of omnichannel, the cultivation of private domain traffic, and the refined tagging management of members to implement precise services. Small improvements can be accumulated into substantial growth momentum.

5.2.4 Weakening product competitiveness leads to insufficient attractiveness

Department stores are the main battleground for high-quality consumption, and product strength is their core competitive advantage. High-performing department stores typically possess a clear product positioning, a differentiated brand mix, and competitive value for money. However, most department stores are currently mired in homogeneous competition, with their operating models primarily based on "joint operation and leasing."

Under the joint venture model, the mall's function is weakened to simply attract tenants and manage space efficiency, lacking a deep understanding of end-consumer needs, and its product selection and brand introduction capabilities lack uniqueness. When the mall loses control over the "product content," it becomes difficult to establish brand barriers in the competition.

Countermeasure:

Accelerate the pace of attracting and optimizing businesses and replacing existing brands, and dynamically assess the market popularity and revenue contribution of each brand. Emphasize store renovation plans, scientifically allocate business formats, and introduce more competitive, iconic brands through upgrades to enhance product appeal and overall brand value.

(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	2024				2025			
	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	—	839,261	—	—	—	663,259	—	—
Direct Counter	—	529,614	—	—	—	447,915	—	—
Rentals and Others	—	1,866,040	—	—	—	1,640,080	—	—
Total	—	3,234,915	—	—	—	2,751,254	—	—

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.

III Number of Employee in the Past 2 Years

Year		2024	2024	2025/5/1
Number of Employee	Manager	10	10	10
	General Employee	896	820	798
	Total	906	830	808
Age in Average		36.43	40.5	40.5
Average Year of Service		8.14	10.5	10.5
Academic Education Distribution Rate	Ph.D.	0.00%	0.00%	0.00%
	Master	1.66%	2.10%	2.13%
	Bachelor	68.65	69.34	69.55%
	Senior High School	19.55%	18.69%	18.27%
	below Senior High School	10.14%	9.87%	10.05%

IV 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.

V 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 of department stores and shopping malls), 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

To improve employee skills and work efficiency and quality, our company has budgeted for education and training expenses. Each department store location arranges new employee onboarding training and professional skills enhancement training. In 2025, the stores completed 28 new employee onboarding training sessions, training 38 people; 68 new salesperson training sessions, training 1,025 people; and 308 professional skills training sessions, training 6,189 people (including mandatory courses on customer service techniques). The training programs included: Skillful Training (12 sessions, 204 participants); Effective Brand Management (12 sessions, 146 participants); Corporate Legal Knowledge Training (12 sessions, 353 participants); Management Personality and Team Collaboration Guidelines (12 sessions, 261 participants); Deconstructing Pang Donglai's Core Retail Strategies (12 sessions, 174 participants); Why Consumers Make Purchases (11 sessions, 147 participants); and Market and Industry Dynamics Analysis (8 sessions, 1 participant). 16 people participated in training; 7 training sessions on negotiation skills in investment promotion, with 94 participants; 7 refresher training sessions on service etiquette, with 140 participants; 10 training sessions on internal financial work processes and the latest laws and regulations, with 90 participants; 8 training sessions on shopping mall safety prevention, emergency handling, and equipment use, with 362 participants; 11 special training sessions on corporate culture, with 433 participants; 12 training sessions on AI-enabled department stores, with 210 participants; and training on Wokang milk powder products. A total of 7 training sessions were held, with 169 participants; 3 regional trainer-specific courses were held, with 51 participants; 30 supervisor development training sessions were held, with 609 participants; 6 service skills (I) training sessions were held, with 38 participants; 6 service skills (II) training sessions were held, with 40 participants; 21 CPOS training sessions were held, with 366 participants; 42 online training sessions were held, with 975 participants; and 59 other training sessions were held, with 1,211 participants.

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.

VI Information and Communication Security Management

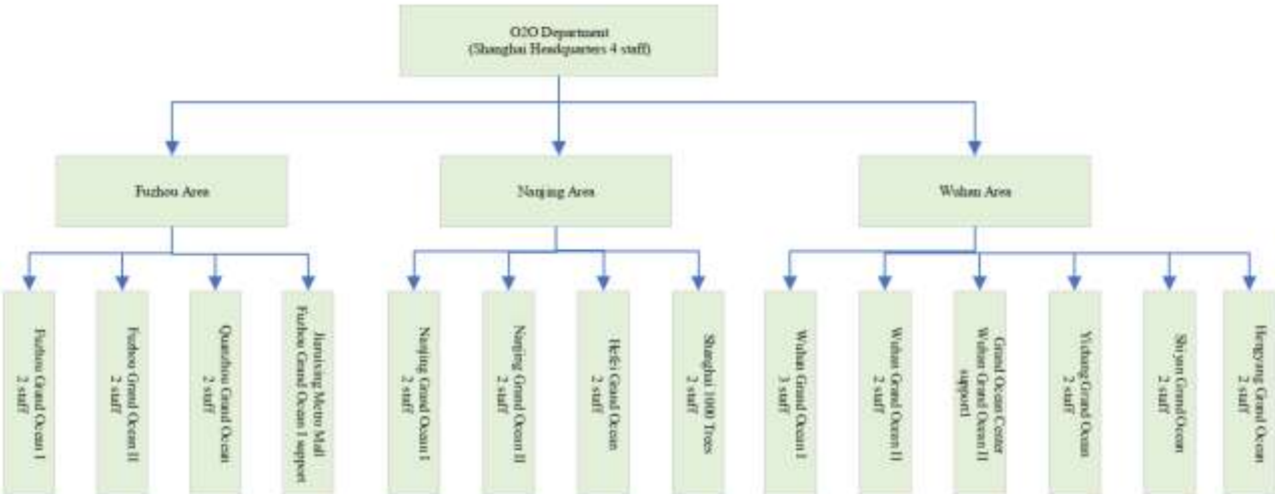
(I) Describe the risk management structure of information and communication security, information and communication security policy, and specific management scheme and resources invested in information and communication security management:

（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:

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

Responsibilities of regional IT:

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

(3) Information Security Policy

A. 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.

VII 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	2025/09/18-2026/09/17	Our company has entered into a credit agreement with CTBC Bank regarding the financing amount and banking services provided by CTBC Bank.	NONE
Finance Contract	The company and Bank of East Asia	2025/11/04-2026/11/04	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 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	Grand Ocean Classic Commercial Group Limited and Bank of East Asia (China) Limited Shanghai Branch	2025/4/23~2030/4/23	Grand Ocean Classic Commercial Group Co., Ltd. obtained a real estate mortgage loan from the Shanghai Branch of Bank of East Asia (China) Limited.	Real estate mortgage setting
Finance Contract	Grand Ocean Classic Commerical Group Co., Ltd. and China Merchants Bank Co.,	2025/12/24~2028/12/23	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

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
	Ltd. Shanghai Tianshan Branch			
Finance Contract	Wuhan Grand Ocean Classic Commercial Development Co., Ltd., Shanghai Grand Ocean 1000 Trees Commercial Management Co., Ltd., and Shanghai Branch of China Trust Commercial Bank Co., Ltd.	2025/09/27~2026/09/26	Wuhan Grand Ocean Classic Commercial Development Co., Ltd. and Shanghai Grand Ocean 1000 Trees Commercial Management Co., Ltd. obtained real estate mortgage loans from the Shanghai Branch of China Trust Commercial Bank Co., Ltd.	Real Estate Mortgage Setting
Insurance Contract	The company and Fubon Product Insurance Co., Ltd.	2025/10/01~2026/10/01	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.	2025/07/01~2026/06/30	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	Grand Ocean Classic Commercial Group Co., Ltd. and Grand Ocean Classic (Shanghai) Commercial Co., Ltd.	2025/10/1~2026/4/30	Grand Ocean Classic Commercial Group Co., Ltd. subleased part of the office space of Shanghai Tianan Center Building Co., Ltd. to Grand Ocean Classic (Shanghai) Commercial 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 Ⅱ 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
Lease Contract	Wuhan Grand Ocean Classic Commerical Develpoment Ltd. and Wuhan Holding Company Ltd.	2025/02/01~2030/01/31	Wuhan Grand Ocean Classic Commerical Develpoment Ltd. leased the department store location from Wuhan Holding Company Ltd.	NONE
Lease Contract	Wuhan Optics Valley Grand Ocean Commerical Development Limited	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

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
	and Wuhan Lijia Real Estate Co., Ltd.			
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 1000 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 Develpoment Ltd.	2023/09/01~2035/08/31	Wuhan Grand Ocean Classic Commerical Develpoment 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 Develpoment Ltd. were combined into a whole and operated externally under the name of "Grand Ocean Center"
Lease Contract	Hubei Nanguo Innovation Real Estate Co., Ltd. and Wuhan Grand Ocean Classic Commerical Develpoment Ltd.	2023/09/01~2035/08/31	Wuhan Grand Ocean Classic Commerical Develpoment 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.	
Lease Contract	Fuzhou Grand Ocean Commercial Co., Ltd. and Fuzhou Grand Ocean Select Commercial Co., Ltd.	2025/05/01-2036/04/30	Fuzhou Grand Ocean Commercial Co., Ltd. has leased its properties on floors 1-3 of the International Commercial Building to Fuzhou Grand Ocean Select Commercial Co., Ltd. (Note: Fuzhou Grand Ocean Select Commercial Co., Ltd. has also signed separate property lease agreements with the individual	NONE

Characteristic of Contract	Party	Date of Start and Expiration of Contract	Major Contents	Clause of Limitation
			owners of floors 1-3 of the International Commercial Building, covering the period from September 1, 2025 to April 30, 2036. Floors 1-3 of the International Commercial Building will be managed and operated by Fuzhou Grand Ocean Select Commercial Co., Ltd.)	

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

I Financial Situations

Currency: NTD (thousand)

Item	2024	2025	Increase, Decrease and Variation	
			Amount	Variation Ratio
Current Assets	2,037,348	1,468,360	(568,988)	(27.93)%
Property, Plant and Equipment	5,255,621	4,813,540	(442,081)	(8.41)%
Intangible Assets	1,673,410	1,505,352	(168,052)	(10.04)%
Other Assets	15,249,049	13,471,304	(1,777,745)	(11.66)%
Total Assets	24,215,428	21,258,556	(2,956,872)	(12.21)%
Current Liabilities	6,662,622	6,206,895	(455,727)	(6.84)%
Non-current Liabilities	12,766,499	11,232,433	(1,534,066)	(12.02)%
Total Liabilities	19,429,121	17,439,328	(1,989,793)	(10.24)%
Owner`s Equity	4,786,307	3,819,228	(967,079)	(20.21)%
Share Capital	1,955,310	1,955,310	-	-
Additional Paid-in Capital	4,168,363	3,656,472	(511,891)	(12.28)%
Retained Earnings	(511,891)	(890,325)	(378,434)	73.93%
Other Equity	(825,475)	(902,229)	(76,754)	9.30%
Treasury Stock	-	-	-	-
Non-controlling Interest	-	-	-	-
Total Equity	4,786,307	3,819,228	(967,079)	(20.21)%

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

1. Current Assets: The company's revenue declined compared to the same period last year, resulting in a decrease in cash inflow. In addition, the company paid store closure compensation and employee severance pay and repaid more bank loans during the period, which led to a decrease in cash and cash equivalents.
2. Owner`s Equity: The company's revenue decreased this period, and the loss increased compared to the same period last year, which was due to the increased loss on retained earnings.
3. Retained Earnings: The company's revenue decreased this period, and the loss increased compared to the same period last year, resulting in an increase in retained earnings losses.
4. Total Equity: Same as above

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	2024	2025	Increase, Decrease and Variation	
			Amount	Variation Ratio
Operation Revenues	3,234,915	2,751,254	(483,2661)	(14.95)%
Gross Profit	2,749,612	2,346,825	(402,787)	(14.65)%
Operation Profit or Loss	(121,278)	(238,167)	(116,889)	96.38%
Non-operation Income and Expense	(326,297)	(642,321)	(316,024)	96.85%
Earnings before Tax	(447,575)	(880,488)	(432,913)	96.72%
Current Net Profit of Continued Operating Unit	(511,891)	(890,325)	(378,434)	73.93%
Losses on Discontinued Unit	-	-	-	-
Current Net Income (Loss)	(511,891)	(890,325)	(378,434)	73.93%
Current Other Comprehensive Profit or Loss (Net Amount after Tax)	225,397	(76,754)	(302,151)	(134.05)%
Current Total Comprehensive Income	(286,494)	(967,079)	(680,585)	237.56%
Net Profit Attributed to Owner of Parent Company	(511,891)	(890,325)	(378,434)	73.93%
Net Profit Belongs to Non-controlling Interests	-	-	-	-
Total Amount of Comprehensive Income Attributed to Owner of Parent Company	(286,494)	(967,079)	(680,585)	237.56%
Total Amount of Comprehensive Income Belongs to Non-controlling Interests	-	-	-	-
Earnings per Share	(2.62)	(4.55)	(1.93)	73.66%

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' willingness to spend is conservative, resulting in a decline in performance, but operating expenses cannot be reduced proportionally, leading to an increase in operating loss in 2025 compared to the current period in 2024.
2. Non-operation Income and Expense：The loss due to the impairment of trademark rights in 2025 was higher than that in the same period of 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	2024	2025	Increase (Decrease) Amount	Increase (Decrease) Ratio (%)
Operating Activities	558,406	391,924	(166,482)	(29.81)%
Investing Activities	104,426	(48,764)	(153,190)	(146.70)%
Financing Activities	(903,348)	(906,818)	(3,470)	0.38%

Analysis and Explanation on Variation of Increase/Decrease Ratio:

1. Operating Activities: In 2025, due to the impact of the overall environment in China, customers' willingness to spend is conservative, resulting in a decrease in performance compared to the previous year and a decrease in cash inflow from operations.
2. Investing Activities: The main reason is the decrease in restricted deposits generated from bank loans provided in 2025.
3. Financing Activities: The main reason is that a large amount of long-term loans were repaid in 2025, resulting in a decrease in cash inflows.

(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
243,883	(139,764)	166,983	271,102	—	—

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 fiscal year 2025 is NT$243,883 thousand. The estimated net cash flow from operating activities for the next year is approximately NT$271,102 thousand. The main cash outflows for the next year are expected to be renovation and upgrading costs for various stores and 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 Pan, 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	(594,238)	This is caused by the loss of the invested subsidiary in this period.	None
Sandmartin International Holding Limited	3.59	0	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	(631,559)	The company is affected by the overall environment in China and is still in the red.	None
Nanjing Grand Ocean Classic Commerce Limited	100	41,262	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	(268,416)	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	(62,364)	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	115,627	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	82,658	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	2,628	Offset part of the losses from store closures.	Closed.
Fuzhou Grand Ocean Classic Commerce Limited	100	(135,982)	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	(71,473)	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	122,126	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	(140)	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	37,956	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.
Shiyan Optics Valley Grand Ocean Commercial Limited	100	(50,732)	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.

Company Invested	Shareholding Ratio (%)	Recognized Profit or Loss due to Investment Last Year	Main Reasons of Profit or Loss	Improvement Plan
Fuzhou Jiaruixing Business Administration Limited	100	5,546	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 1000 Trees Commercial Management Co., Ltd	100	(229,000)	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.
Fuzhou Grand Ocean Select Commercial Co., Ltd.	100	(6,265)	Established in May 2025, the business scope is the 1st to 3rd floors of a store in Fuzhou, which includes operating after signing lease agreements with many small landlords. It is expected to open during the May Day holiday in 2026. Before the opening, there will be no operating income, and all expenses will be incurred for setting up the store.	Actively attract investment and adjust the brand lineup.
Grand Ocean Classic (Shanghai) Commercial Co., Ltd.	100	(1,660)	Established in September 2025, its business scope includes management services for commercial complexes.	The business scope includes management services for commercial complexes.

(III) Investment Plan within Next Year:

Plan for store renovation: A budget of RMB 5.43 million is planned to be allocated for store renovation and refurbishment in 2026.

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 Loaning 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

While the essence of brick-and-mortar retail remains unchanged, its environment has undergone dramatic transformation. In the past, the core of commerce lay in "location advantage" and "natural foot traffic." However, in 2026, with highly digitalized and borderless consumer behavior, the key to brand value creation and revenue recovery lies in retaining consumers and meeting their deep emotional needs through "deep experience" and "precise service." As the post-90s, post-00s, and even Generation Z become the main consumers, offline channels must present more unique, narrative-driven, and thoughtful scene presentations to attract this audience accustomed to digital lifestyles. In recent years, the Group has witnessed the added value brought by the "power of scene." Through immersive space creation, it has successfully driven buzz and spontaneous social media sharing, giving consumers a sense of immersion and converting it into tangible average transaction value and purchasing power. Especially with the empowerment of technology, this immersive experience has become a "traffic engine" for offline commerce, effectively compensating for the decline in the customer attraction of traditional anchor stores and establishing a more resilient competitive advantage. Furthermore, although online channels are not the only sales channel for department stores, sales data has formed a complete closed loop. Through the dual approach of "online traffic generation + offline experience", revenue benefits are showing a multiplicative effect of 1+1>2.

Our company is committed to comprehensive system integration and digital transformation, dynamically adjusting to the competitive environment of each store to accelerate the "shopping mall transformation" of department stores, thereby consolidating and expanding regional market share. The Group introduces business formats and brands that align with market trends through product differentiation and localized strategies. Since 2017, the Company has actively engaged in in-depth cooperation with major e-commerce platforms and other industries. Currently, the entire Group fully supports mobile payment via WeChat Pay, Alipay, UnionPay QuickPass, and major digital wallets. Simultaneously, we are collaborating with partners such as Meituan, JD.com, and China Post Express to expand instant retail business and optimize our electronic membership card and digital invoice systems. To enhance brand penetration among younger consumers, we are deeply cultivating the smart consumer market with the goal of "data-driven department stores." The "Boundless Retail Business Unit," established in 2020, has now entered a mature operational phase, successfully integrating the Group's online-offline (OMO) channels. In 2025, we will further introduce AI big data analytics systems and automated marketing tools, significantly improving membership management efficiency and the shopping experience. By the end of 2025, online sales accounted for a stable 30% of total revenue, demonstrating impressive digital monetization capabilities. The fully upgraded WeChat mini-program system in 2023 also provided the company with more accurate market forecasts and operational analysis data. In conclusion, technological innovation and industrial transformation have had a positive and far-reaching impact on the Group's financial structure and business development.

Regarding information security risks and computer-related information security protection measures, the Group has established comprehensive network and computer-related information security protection measures. However, it is still impossible to guarantee that the computer systems of critical corporate functions can be completely protected from intrusion attacks from any third-party paralyzed systems. In the event of a severe intrusion incident, the system may become inoperable, leading to operational interruption. Therefore, quickly restoring system operation is of paramount importance. In addition to continuously strengthening the deployment of information security equipment and software, the Group also continuously strengthens backup measures. These measures include maintaining the continuous operation of information systems, preventing hacker and various virus intrusions and damage, preventing unauthorized use of data and systems, regularly conducting information security audits, ensuring the implementation of information security measures, and strengthening personnel management and information security education and training.

(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 For any litigation, non-litigation, or administrative disputes that have been adjudicated or are currently pending in the past two years and up to the date of publication of the annual report, the results of which may have a significant impact on shareholders' equity or securities prices, the company should disclose the facts of the dispute, the amount in dispute, the date of commencement of the litigation, the main parties involved, and the status of the handling up to the date of publication of the annual report:

(1) Due to continuous operating losses, Chongqing Optics Valley Grand Ocean Commercial Development Co., Ltd. ceased operations on October 31, 2022, and terminated its lease with the landlord, Chongqing Zhengsheng Real Estate Co., Ltd. (hereinafter referred to as Chongqing Zhengsheng). Therefore, Chongqing Zhengsheng filed a lawsuit with the court on August 17, 2023, asserting the following claims:

1. The plaintiff demanded that the company pay NT$129,003,000 (RMB 28,285,000) in early termination penalties according to the lease agreement. The plaintiff further reduced this amount by the performance bond of NT$29,645,000 (RMB 6,500,000) and estimated it at NT$123,867,000 (RMB 27,159,000), listing it under other payables. On September 19, 2024, the court ruled in the first instance to reverse the overestimated early termination penalties of NT$107,467,000 (RMB 24,207,000).

2. The plaintiff demanded that the company pay the outstanding rent and penalties from previous years up to the date of eviction, totaling NT$116,520,000 (RMB 25,548,000), which the company had already estimated and included in its accounts. On September 19, 2024, the court ruled in the first instance that the overestimated rent and penalties of NT$1,012,000 (RMB 228,000) should be reversed.

3. The plaintiff demanded that the company pay the rent, penalties, and occupancy fees totaling NT$20,502,000 (RMB 4,618,000) for the space occupied by Dadi Cinema from the date of clearing and handover to the date of the lawsuit. However, the company had already handed over the space via notarized mail on the date of clearing and handover and was no longer able to use the leased property. Therefore, the plaintiff believed that Chongqing Zhengsheng's claim was unfounded and that it had no obligation to pay compensation. On September 19, 2024, the court of first instance ruled that the company should pay Dadi Cinema demolition and occupancy fees of NT$12,168,000 (RMB 2,668,000).

4. The plaintiff demanded that the company return the rent reductions from previous years, penalties for breach of contract, and related litigation costs totaling NT$36,422,000 (RMB 8,204,000). However, the plaintiff argued that the rent reductions from previous years had already been paid in accordance with the contract, therefore the plaintiff believed that Chongqing Zhengsheng's claims were unfounded and that the company had no obligation to compensate. On September 19, 2024, the court ruled in the first instance that the company should pay the site restoration fee and related litigation costs totaling NT$3,334,000 (RMB 731,000).

In addition, Chongqing Zhengsheng applied to the court for property preservation on September 7, 2023. The court froze the company's bank deposits and the equity of its subsidiary, Nanjing Grand Ocean Classic Commercial Co., Ltd.

According to the company's assessment, the aforementioned amounts had been included in the accounts in accordance with the first-instance judgment of the court. However, Chongqing Zhengsheng disagreed with the court's judgment and filed an appeal through its lawyers. Subsequently, on November 21, 2024, the court upheld the first-instance judgment in the second-instance judgment. The company reached a settlement with Chongqing Zhengsheng on December 30, 2024. The aforementioned amounts were fully paid on March 31, 2025, and the asset freeze was lifted.

(2) In the third quarter of 2021, Hubei Grand Ocean Huayu Investment Co., Ltd. filed a lawsuit against the merged company and its subsidiary, Wuhan Optics Valley Grand Ocean Commercial Development Co., Ltd., seeking RMB 93 million in damages for a dispute over equity investments in Hubei Huayu prior to 2017. On July 28, 2022, the court ruled in favor of the company in the first instance. However, Hubei Huayu appealed the court's judgment, and on August 16, 2024, the court upheld the original judgment in favor of the company in the final instance.

(3) Due to continuous operating losses, Wuhan Hanyang Dayang Jingdian Commercial Co., Ltd., a subsidiary of the merged company, ceased operations on August 31, 2023, and prematurely terminated its lease with the landlord, Wuhan Commerce & Trade State-owned Holding Group Co., Ltd. (hereinafter referred to as Wuhan Commerce & Trade). Therefore, Wuhan Commerce & Trade filed a lawsuit with the court on November 26, 2023, asserting the following claims:

1. The plaintiff demanded that the company pay the outstanding rent, which the company had already estimated and recorded, as well as the early termination penalty of NT$ 207,549,000 (RMB 45,507,000); and refused to return the performance bond of NT$ 22,804,000 (RMB 5,000,000), which the company had already accrued as bad debt loss in 2023. On June 14, 2024, the plaintiff, in accordance with the first-instance judgment of the court, ordered the supplementary estimation of the rent for September 2023 of NT$ 5,152,000 (RMB 3,413,000), and the reversal of the overestimated early termination penalty of NT$ 22,198,000 (RMB 5,000,000).

2. The plaintiff demanded that the company pay the outstanding rent, which the company had already estimated and recorded, as well as the early termination penalty of NT$ 207,549,000 (RMB 45,507,000); and refused to return the performance bond of NT$ 22,804,000 (RMB 5,000,000), which the company had already accrued as bad debt loss in 2023. On June 14, 2024, the plaintiff, in accordance with the first-instance judgment of the court, ordered the supplementary estimation of the rent for September 2023 of NT$ 15,152,000 (RMB 3,413,000), and the reversal of the overestimated early termination penalty of NT$ 22,198,000 (RMB 5,000,000).

3. The plaintiff demanded that the company return the rent reductions and penalties from previous years totaling NT$ 85,105,000 (RMB 19,170,000), of which the company had already estimated at NT$ 85,643,000 (RMB 18,778,000). On June 14, 2024, the court ruled in the first instance that the company had no obligation to pay compensation, and therefore ordered the reversal of the aforementioned funds.

4. The plaintiff demanded that the company return the rent of NT$ 21,270,000 (equivalent to RMB 4,791,000) for the five months of rent-free period in previous years. On June 14, 2024, the court ruled in the first instance that the company had no obligation to pay compensation.

5. The company was demanded to pay NT$ 10,397,000 (RMB 2,342,000) for the costs of the un-demolished cinema on the fifth floor and related litigation costs. On June 14, 2024, the court ruled in the first instance that the company should pay NT$ 1,327,000 (RMB 291,000) in litigation costs. Additionally,

on November 21, 2023, Wuhan Commerce & Trade applied to the court for property preservation, and the court legally froze NT$ 306,000 (RMB 67,000) of the company's bank deposits. The company assessed that the aforementioned amounts had been included in the accounts according to the court's first-instance judgment. However, Wuhan Commerce & Trade disagreed with the court's judgment and appealed. On September 29, 2024, the court upheld the first-instance judgment in the second instance. The company reached a settlement with Wuhan Commerce & Trade on December 2, 2024. All the aforementioned amounts were paid in full on June 30, 2025, and the property freeze was lifted.

(4) Wuhan Hanyang Grand Ocean Classic Commercial Co., Ltd. ceased operations on August 31, 2023 due to continuous operating losses and terminated its lease with the brand owner, Wuhan Laopai Catering Management Co., Ltd. (hereinafter referred to as Laopai Company). Therefore, Laopai Company filed an arbitration request on December 20, 2023, demanding that the company return the performance bond and pay the early termination penalty, decoration losses, and related litigation costs totaling NT$ 27,085,000 (RMB 6,101,000). On October 12, 2024, in accordance with the arbitration award, the company should compensate Laopai Company for the aforementioned expenses totaling NT$ 24,527,000 (RMB 5,485,000). The company has estimated and included these expenses in its 2024 accounts. As of December 31, 2025, the aforementioned amount has not yet been paid.

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 ther 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 April 30, 2026)：Please refer to III. Group Structure (page 8)

(II) Basic Information of Associates

Dec 31, 2025；Currency: NTD (thousand)

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business Scope
Grand Citi Limited	2007.10.26	9/F, United Kashima Building, 138 Gloucester Road, Wan Chai, Hong Kong	HKD1,040,000	Investment Holding Company
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 Bayiqi Road, Gulou District, Fuzhou City, Fujian Province, China	RMB70,000	Department Store Retail, Commercial Investment, Internet Sales, Management and Consulting, Commercial Complex Management Services, Non-Residential Real Estate

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business Scope
				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, Jianghan 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 Bayiqi 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
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 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

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business Scope
				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 Bayiqi 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, Shangha	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, Jianghan 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
Fuzhou Grand Ocean Select Commercial Co., Ltd.	2025.05.12	Office 03, 11th Floor, International Commercial Building, No. 133, Bayi North Road, Gulou District, Fuzhou City	RMB3,000	Department store retail, commercial investment, Internet sales, management and consulting, commercial complex management services, housing leasing, property management
Grand Ocean Classic (Shanghai) Commercial Co., Ltd.	2025.09.24	Units 2706 and 2705, 27th Floor, No. 338 Nanjing West Road, Huangpu District, Shanghai.	USD10,000	Commercial complex management services

(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	Ng Qing Hai	Non-shareholding system	100.00%
	Director	Lee Eng Leong		
	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		
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		
	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		
	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Zhang Jing		

Company Name	Title	Name or Representative	Number of Shares	
			Shares	%
Shanghai Grand Ocean 1000 Trees Commercial Management Co., Ltd	General manager	Huang Jing sheng		
Fuzhou Grand Ocean Select Commercial Co., Ltd.	Executive Director	Ng Qing Hai	Non-shareholding system	100.00%
	Supervisor	Lu Fang		
	General manager	Zhang Jin Guo		
Grand Ocean Classic (Shanghai) Commercial Co., Ltd.	Chairman	Ng Qing Hai	Non-shareholding system	100.00%
	Director	Zhang Jin Guo		
	Director	Li Chao		
	Supervisor	Lu Fang		
	General manager	Ng Qing Hai		

(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	4,199,520	6,926,532	17,004	6,909,528	0	(2,580)	(594,238)	(0.28)(註 1)
Grand Ocean Classic Commercial Group Co., Ltd	3,800,862	7,411,357	1,543,207	5,868,150	2,751,254	(128,700)	(631,559)	NA
Nanjing Grand Ocean Classic Commerce Limited	223,580	4,460,430	2,403,813	2,056,617	612,299	62,852	41,262	NA
Fuzhou Grand Ocean Commerce Limited	313,012	2,089,646	423,080	1,666,566	60,599	(48,172)	(268,416)	NA
Quanzhou Grand Ocean Commerce Limited	89,432	1,572,250	1,521,348	50,902	44,957	(26,639)	(62,364)	NA
Wuhan Grand Ocean Classic Commercial Development Limited	223,580	5,914,785	4,276,390	1,638,395	520,957	(93,010)	(115,627)	NA
Wuhan Optics Valley Grand Ocean Commercial Development Limited	89, 432	3, 145, 581	1, 384, 692	1, 760, 889	465, 459	77, 430	82, 658	NA
Wuhan Hanyang Grand Ocean Classic Commercial Limited	313, 012	24, 369	211, 220	(186, 851)	0	447	2, 628	NA
Fuzhou Grand Ocean Classic Commerce Limited	223, 580	1, 478, 609	1, 615, 443	(136, 834)	56, 456	(134, 554)	(135, 982)	NA
Hengyang Grand Ocean Commercial Development Limited	89, 432	121, 926	549, 575	(427, 649)	13, 801	(71, 259)	(71, 473)	NA
Yichang Grand Ocean Commerce Limited	89, 432	2, 152, 872	1, 635, 976	516, 896	394, 923	209, 491	122, 126	NA
Shanghai Jingxuan Business Administration Limited	44,716	34,780	0	34,780	0	(139)	(140)	NA
Hefei Grand Ocean Classic Commercial Development Limited	89,432	1,632,832	1,341,492	291,340	265,510	87,352	37,956	NA
Shiyan Optics Valley Grand Ocean Commercial Limited	89, 432	149, 477	468, 423	(318, 946)	49, 860	(52, 193)	(50, 732)	NA
Fuzhou Jiaruixing Business Administration Limited	22, 358	227, 210	452, 945	(225, 735)	89, 806	14, 863	5, 546	NA
Shanghai Grand Ocean 1000 Trees Commercial Management Co., Ltd	223, 580	5, 005, 003	5, 782, 298	(777, 295)	273, 581	(68, 725)	(229, 000)	NA
Fuzhou Grand Ocean Select Commercial Co., Ltd.	2, 236	2, 044	6, 285	(4, 241)	0	(6, 265)	(6, 625)	NA
Grand Ocean Classic (Shanghai) Commercial Co., Ltd.	–	88	1, 804	(1, 716)	0	(1, 660)	(1, 660)	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 Caiman 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 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.	No relevant local competent authorities in the Cayman Islands are to be authorized to coordinate the Shareholders Meeting.	According to the contents of TWSE Letter Shang 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.
Shareholders who exercise their voting rights in writing or electronically are deemed to attend the Shareholders Meeting in person.	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.	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.

Difference	Cayman Island Laws and Descriptions	Article Regulations and Descriptions
Regarding the regulations in "Regulations Governing the 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.	The Cayman Islands Act does not require the relevant 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.	According to concepts in TWSE Letter Shang 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. ."
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.	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	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.

Difference	Cayman Island Laws and Descriptions	Article Regulations and Descriptions
	resolution due to the Cayman Islands Act.	

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.

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