

GRAND OCEAN RETAIL GROUP LIMITED

Code of Ethical Conduct

- Article1 The Guidelines are adopted for the purpose of encouraging the Directors and managers of the Company (including President or the equivalents, Vice President or the equivalents, AVP or the equivalents, CFO, CAO, as well as other persons authorized to manage affairs and sign documents on behalf of the Company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company, hence the Guidelines are stipulated here to follow.
- Article2 Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a Director, Independent Director, or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, Independent Directors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.
- Article3 The company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions; (2) Obtaining personal gain by using company property or information or taking advantage of their positions; (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the Directors, Independent Directors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.
- Article4 The Directors, supervisors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when

authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

- Article5 Directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.
- Article6 All Directors, supervisors, and managerial officers have the responsibility to safeguard the Company's assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.
- Article7 The Company shall respect the society of diversity, and recruit the employees fair and just. Any differential treatments, or, any kinds of discrimination due to gender, race, religion, political party, sexual orientation, occupational rank, nationality or age shall not be tolerated.
- Article8 The Company shall provide its personnel the safe and healthy working environments. The personnel of the Company shall together safeguard the safe and healthy working environments. Any behaviors in regard with sexual harassment, other violence, threat or intimidation shall not be tolerated.
- Article9 The personnel of the Company shall follow the Securities Exchange Act and other relevant laws and regulations.
- Article10 The Company shall raise awareness of ethics internally and encourage employees to report to a Independent Director, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company allows anonymous reporting and makes employees aware that the company will use its best efforts to ensure the safety of whistleblower and protect them from reprisals.
- Article11 When a Director, Independent Director, or managerial officer violates the code

of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. If a violator indicated in the preceding item has any objection towards the punishment by the Company, it is advisable that the Company should establish a relevant complaint system to provide the violator with remedies.

- Article12 The code of ethical conduct adopted by the Company must require that any exemption for Directors, Independent Directors, or managerial officers from compliance with the code be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of Independent Directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.
- Article13 The Guidelines as well as the amendments hereto shall be disclosed in the official corporate website, Annual Reports, prospectus, and MOPS.
- Article14 The Guidelines as well as the amendments hereto shall be delivered to each Independent Director and shareholders meeting after the Board Meeting ratifies to perform them.