

SCANTEAK

詩肯 柏木

Stock code: 6195

Website of the Company: <https://www.topshine.tw>

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# 113

ANNUAL  
REPORT

SCAN-D CORPORATION



#### Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Published on May 24, 2025

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## **II 、 Headquarters, Branches and Plant**

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Please refer to the statement for further information.

## **III 、 Stock Transfer Agent**

Name : KGI Securities

Address : 5F., No.2, Chongqin S. Rd., Taipei City

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

TEL : ( 02 ) 2389-2999

## **IV 、 External auditors of the financial statement covering the previous fiscal period**

Auditors : Kuo, Nai-Hua 、 Lee, Li-Huang

Accounting Firm : Deloitte & Touche

Address : 20F., No.100, Songren Rd., Xinyi Dist., Taipei City

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

TEL : ( 02 ) 2725-9988

## **V 、 Name of exchanges in foreign countries where the Company is listed for securities trade and the means of access to information on overseas securities: None**

## **VI 、 Corporate Website : <https://www.topshine.tw>**

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# I. Letter to Shareholders

Dear Shareholders:

First of all, I would like to express our gratitude to all shareholders for attending the Company's 2024 Annual Shareholders' Meeting. Over the past year, the global economic environment has remained challenging. While the pace of interest rate hikes has slowed compared to 2023, inflationary pressures have not fully dissipated, and the escalation of geopolitical risks has further impacted the consumer market significantly.

In Taiwan, the government has implemented various regulatory policies to stabilize the housing market, including credit controls and tax adjustments, which have resulted in a noticeable slowdown in housing transactions, indirectly affecting the performance of the home industry. Fortunately, Taiwan's economic fundamentals remain sound, with the domestic market gradually recovering post-pandemic, providing support for the consumer market. However, consumers have become more cautious in their spending attitudes, placing greater emphasis on cost-effectiveness and product quality, presenting both new challenges and opportunities for us.

In response to market challenges, we have continued to optimize our brand and distribution channel strategies, actively adapting to changes:

1. **Brand Diversification:** In addition to our existing brands, Scanteak, Scanliving, and ScanKomfort, we launched the new Singapore-based NOVA Furniture brand last year, demonstrating the synergistic effects of our acquisitions and enriching our product line in Taiwan. In mid-2024, we are also planning to introduce the "FRANKEN German Frankfurt Beds" brand to further expand our market influence.
2. **Distribution Channel Strategy:** Revenue from department stores now accounts for 50%, matching the contribution of our street-side stores, which highlights the successful transformation of our channel strategy.
3. **Product Innovation:** We introduced several new products, including the 50th Anniversary commemorative mattress, the Danish Teak Series, and the fully electric leather sofa, to meet consumer demand for high-quality home furnishings and enhance our market competitiveness.

In 2024, the Scanteak Group achieved a total revenue of NT\$2.289 billion, a decrease of 2.85% year-on-year, yet still marking the fourth-highest record in company history. Among this, the performance of our investment in NOVA Singapore was adversely affected by severe inflation in the local market, which posed operational challenges. Excluding the impact of NOVA, our core business in Taiwan generated NT\$1.539 billion in revenue, demonstrating a nearly 1% growth against the trend, reflecting the resilience and growth momentum of the Taiwan market.

Looking ahead, we will continue to monitor market changes, actively adjust our operational strategies, and strengthen brand value to create long-term and stable returns for our shareholders. In 2024, the total revenue of our company reached NT\$2.289 billion, representing a 2.85% decrease compared to the previous year. The net profit after tax was NT\$80 million, reflecting a 21.99% decrease compared to the previous year. The 2024 operation results and 2025 business plan are reported as follows:

## I、2024 Business Report

### (I)Result of business plan:

Unit: TWD 1000 dollars

Subject \ Year	2024	2023	Increase	Ratio (%)
Operating income	2,288,631	2,355,820	(67,189)	(2.85)%
Operating margin	1,281,121	1,277,409	3,712	0.29%
Operating expenses	1,170,701	1,133,641	37,060	3.27%
Business Benefits	110,420	143,768	(33,348)	(23.20)%
Operating foreign Receipts (branch)	(18,231)	(10,454)	(7,777)	(74.39)%
Net profit (loss) before tax	92,189	103,314	(41,125)	(30.85)%
Net profit after tax (loss)	80,713	103,465	(22,752)	(21.99)%

### (II)Budget performance : NA

### (III) Analysis of financial income and expenditure and profitability

Unit: 1000 dollars

Unit: 1000 dollars

Year			2024	2023	Increase %
Subject					
Financial Status	Operating income		2,288,631	2,355,820	(2.85)%
	Operating margin		1,281,121	1,277,409	0.29%
	Interest income		3,423	4,621	(25.93)%
	Interest expense		49,790	40,551	22.78%
	After-tax pure benefit		80,713	103,465	(21.99)%
Year			2024	2023	Increase %
Subject					
Profit	Rate of return on assets (%)		3.40	4.18	(18.66)%
	Rate of return on shareholder equity (%)		6.09	7.62	(20.08)%
	Paid-in ratio(%)	Operating	22.00	28.64	(23.18)%
		Pretax	18.37	26.56	(30.84)%
	Pure benefit rate (%)		3.53	4.39	(19.59)%
	Surplus per share (pure loss) (yuan)		1.60	2.06	(22.33)%

(IV) Research and development: Not applicable.

## II、Summary of 2025 Business Plan

### (I) Business strategy:

1. In 2025, we will continue to expand our stores, with a focus on increasing the number of dual-brand group stores and department store locations to enhance synergies.
2. Make good use of channel advantages to continuously introduce new brands, implement multi-brand strategic operation.
3. Monitor market trends and introduce new products to enhance its market competitiveness.

### (II) Estimated Sales Volume and its Basis:

In the coming year, the Company will continue to establish more locations and expand the scale of operations. The revenue is expected to grow continuously in the coming year.

### (III) Important production and marketing policies

1. Multi-brand management as an enterprise development strategy to meet market demand.
2. Strengthen product design capabilities to provide warm, comfortable and ergonomic furniture.
3. Continue to increase brand penetration and consumer identity, in order to strengthen the sales of existing channels and expand the market share.

The above is the Company's current condition and future development direction. Scan-D will continue to uphold the business philosophy since its establishment "innovation, harmony, pragmatic, speed" and move towards corporate sustainable management. We also hope that our shareholders will continue to show support and encouragement. All employees of Scan-D shall try their best in achieving outstanding performance.

Lastly, I wish you health and all the best. Good health

Regards

SCAN-D CORPORATION

II、Corporate Governance Report

I、Directors and Management Team

(I) 1.Directors

Apr.21, 2025；Unit: Share: %

Title (Note 1)	Nationality/ Country of Origin	Name	Sex Age (Note 2)	Date Elected	Term (Years)	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Note 4)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairperson	BVI	BVI NOBLE LINK MANAGEMENT LTD.		2023/06/19	3	2010/06/25	15,049,125	29.98%	15,049,125	29.98%	0	0	0	0	None	None	None	None	None	Note 4
	Singapore	Representative: Lim, Pok-Chin	M 71~80 years	2023/06/19	3	2010/06/25	0	0	0	0	0	0	6,250,365	12.46%	Hawaii Furnishing Pte.Ltd. Director St. Joseph's Anglo-Chinese School	The Group：SCAN-D Corporation Chairman Directors of Nova Furnishing Holdings Pte. Ltd. and its subsidiaries Other Company：Hawaii Furnishing Pte Ltd Director YiChia Investment Chairperson	Director	LIM, JIE-REN	First degree of kinship	Note 4
Director	Singapore	Neo, Khay-Pin	M 71~80 years	2023/06/19	3	2010/06/25	0	0	0	0	0	0	0	0	Redwood Interior Pte Ltd Director United Overseas Bank Executive Vice President Warwich University Management BA University of Surrey Chemical Engineer MS	The Group：None  Other Company：None	None	None	None	None
Director	Singapore	Lim, Jie-Ren	M 41~50 years	2023/06/19	3	2011/06/22	0	0	2,028,200	4.04%	54	0%	0	0	Hawaii Furnishing Pte Ltd Counsultant Hawaii Furnishing (Japan) President University of Michigan Ross School of Business -MBA	The Group：SCAN-D Corporation Chairman Assistant Directors and General Manager of Nova Furnishing Holdings Pte. Ltd. and its subsidiaries Other Company：Hawaii Furnishing Pte Ltd Counsultant	Chairperson	Lim, Pok-Chin	First degree of kinship	None
Director	Singapore	Lim, Jie-Min	F 41~50 years	2023/06/19	3	2023/06/19	0	0	0	0	0	0	1,728,947	3.44%	UCLA Anderson school of management EMBA,Business Administration and Management,General National University of Singapore EMBA,Business Administration and Management,General Hawaii Furnishing Pte.Ltd.CEO/Regional Marketing Director Future Economy Council – Lifestyle Subcommittee Member Council of Skills, Innovation and Productivity Member	The Group：None Other Company：Hawaii Furnishing Pte.Ltd.Director House Of Teak (Singapore) Pte.Ltd.Director Retail Cluster, Singapore Furniture Industries Council Chairman(President)	Chairperson	Lim, Pok-Chin	First degree of kinship	None
Director	ROC	Wang, I-Yao	M 71~80 years	2023/06/19	3	2020/06/17	233,118	0.51%	133,118	0.27%	0	0	0	0	NAID Kaohsiung director。NAID ROC supervisor。NAID ROC member rep. NSYU 2th EMBA	The Group：None Other Company：Heli Co., Ltd. Chairperson JieBiShen Holding Independent Director	None	None	None	None

Title (Note 1)	Nationality/ Country of Origin	Name	Sex Age (Note 2)	Date Elected	Term (Years)	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Note 4)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Wang, Chia-Cheng	M 51~60 years	2023/06/19	3	2017/06/22	83,525	0.18%	83,525	0.17%	0	0	0	0	Simula Technology Inc. Independent Director Chief Financial Officer, Cayman Islands Chief Financial Officer, Rainter Technology Corp. FJU Accounting Department	The Group : None Other Company : Samebest Co., Ltd. Senior Manager of Finance and Accounting	None	None	None	None
Independent Director	ROC	Hung, Da-Feng	M 71~80 years	2023/06/19	3	2020/06/17	0	0	0	0	0	0	0	0	Chief Business Officer, Head Office of First Bank Manager, Taishan Branch of First Bank Manager, Tucheng Branch of First Bank Taipei High School of Commerce College of Performing Arts, National Taiwan University of Arts	The Group : None Other Company : Special Assistant of the Chairman, Tai Shan Gases Co., Ltd. Independent Director of Boretech Resource Recovery Engineering Co., Ltd.	None	None	None	None
Independent Director	ROC	Lin, Hui-Ping	F 51~60 years	2023/06/19	3	2021/07/07	0	0	0	0	0	0	0	0	Huilu Information Co., Ltd. Chairman Pili International Multimedia Co., Ltd. Director Chairman, Kayee International Group Co., Ltd. Special Assistant of the Chief Financial Officer DAHUA Securities Corporation Deputy General Manager, Sales Department Bachelor of Finance at Soochow University Baruch College Finance MBA at Baruch College	The Group : None Other Company : Stylution International Corp. Senior Consultant	None	None	None	None

Note 1: List the name of legal person shareholder and the name of representative separately and fill the following chart.

Note 2: Please indicate your age, which may be expressed in ranges, such as 41 to 50 or 51 to 60.

Note 3: Specify the term of the 1<sup>st</sup> elected director or supervisor. Any interruption shall be specified.

Note 4: Person with experience in Auditors Firm or in affiliated companies shall be noted and specify the position.

Note 5: If the positions of Chairman and general manager or equivalent titles (senior manager) are held by the same person, spouses or first degree of kinship, the reason, rationality, necessity, and countermeasures shall be explained.

(I) 2.Major shareholders of the institutional shareholders

Apr.21, 2025

Name of Institutional Shareholders (Note 1)	shareholders of the institutional shareholders (Note 2)	
	Shareholder	%
BVI NOBLE LINK MANAGEMENT LTD.	Lim, Pok-Chin	100%

Note 1: If the director or supervisor is legal person, please specify.

Note 2: Specify the top ten major shareholders' name.

Note 3: For corporate shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed (i.e. name of the investor or donor and their investment or donation ratio).



(I) 3.Disclosure of Professional Qualifications of Directors and Independence of Independent Director:

Criteria Name	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairperson BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	Lim, Pok-Chin, who attended St. Joseph's Anglo-Chinese School, is the founder of the brand Scanteak and its chain channels, and also introduced Scanteak into Taiwan in 1992, with a focus on the operation of the channels and brand. Chairman Mr. Lim, Pok-Chin has been operating in the furniture business for more than 40 years and is equipped with the experience of operation and strategy management in the furniture industry, as well as insight for industry integration, analysis, and development.		0
Director Neo, Khay-Pin	Neo, Khay-Pin holds a master's degree in Operational Research & Management Sciences from the University of Warwick in the UK and has worked for the United Overseas Bank in Singapore as the executive vice president. Director Neo, Khay-Pin is equipped with an international market perspective and is capable of corporate governance, financial accounting, as well as analysis and decision-making in risk management. He is able to provide advice and guidelines in relation to corporate governance and operation management to the Board in a timely manner.		0
Director Lim, Jie-Ren	After Nanyang Technological University in Singapore, Lim, Jie-Ren received the Master of Business Administration from the University of Michigan Ross School of Business, and is concurrently the President of Hawaii Furnishing (Japan) Pte. Ltd., Nova Furnishing Holdings Pte. Ltd. directors and general managers of its subsidiaries Lim, Jie-Ren is equipped with an international market perspective, and experiences in the operational management and management practice in the furniture industry, as well as analysis and decision-making in operational judgment.		0
Director Lim, Jie-Min	UCLA Anderson school of management EMBA,Business Administration and Management,General ∙ National University of Singapore EMBA,Business Administration and Management,General ∙ Hawaii Furnishing Pte.Ltd. CEO/Regional Marketing Director ∙ Future Economy Council – Lifestyle Subcommittee Member(committee member) ∙ Council of Skills, Innovation and Productivity Member(committee member) Lim, Jie-min is equipped with an international market perspective, and experiences in the operational management and management practice in the furniture industry, as well as analysis and decision-making in operational judgment.		0
Director Wang, I-Yao	Wang, I-Yao belonged to the 15th session of Council for Industrial & Commercial Development, and was the supervisor in the National Association of Interior Design, R.O.C. and representative to the members in the General Chamber of Commerce of the Republic of China. Wang, I-Yao is concurrently the Chairman of Humble Co., Ltd. Director Wang, I-Yao is equipped with capabilities in the marketing, operational management, and decision-making in the furniture industry.		0
Independent Director Wang, Chia-Cheng	Wang, Chia-Cheng graduated from the Department of Accounting in Fu Jen Catholic University. He previously worked in Prolific Technology Inc. as the head of Accounting Department, the head of the Accounting Department in SCAN-D Corporation, and the Independent Director of Simula Technology Inc. Wang, Chia-Cheng is concurrently the senior manager of Finance and Accounting Department in Samebest Co., Ltd. Director Wang, Chia-Cheng is equipped with capabilities in corporate governance, professional finance and accounting skills and investment management. The Company relies on its management experience and perspectives in different industries to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0

<div>Criteria</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Hung, Da-Feng	A graduate of the National Taiwan University of Arts, Hung, Da-Feng was the division chief of the Business Division in the head office of the First Commercial Bank, manager of the Taishan Branch of the First Commercial Bank, the manager of Tucheng Branch of the First Commercial Bank. Hung, Da-Feng is concurrently the executive assistant to the Chairman of Tai Shan Gas Co., Ltd. Director Hung, Da-Feng has a very complete record in the financial industry, and is equipped with professional abilities in the area of finance. Hung, Da-Feng is also familiar with the direction of various industries and can provide different opinions in relation to operational management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0
Independent Director Lin, Hui-Ping	Lin, Hui-Ping has a Master of Business Administration in Finance from Baruch College in New York City, and was previously the Deputy General Manager of the Underwriting Department in the Grand Cathay Securities Corporation, the executive assistant to the Chairman of M.J.International Flooring and Interior Products Inc. Lin, Hui-Ping is concurrently a Director of Pili International Multimedia Co.,Ltd., a senior advisor to Stylution International Corp. Director Lin, Hui-Ping is familiar with the operation of capital market, and is equipped with capabilities in corporate governance, finance and accounting, as well as investment management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0

Note 1: Professional qualifications and experience: State the professional qualifications and experience of each individual Director and Supervisor, and for those who are members of the Audit Committee with accounting or financial expertise, a statement of their relevant backgrounds and work experience, as well as an additional explanation on whether circumstances set out in Article 30 of the Company Act have occurred shall be provided.

Note 2: Independent Director shall state the conditions that qualify them as independent, including but not limited to whether the person, his/her spouse, relatives within the second degree of kinship are appointed as directors, supervisors or employees of the Company or its affiliates; the number and ratio of the shares of Company held by the person, his/her spouse and relatives within the second degree of kinship or under the name of another person; whether the person is a Director, Supervisor or employee of a company that has a specific relationship with the Company (with reference to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies); and the remuneration received for commercial, legal, financial and accounting services rendered to the Company or its affiliates in the past two years.

Board Diversity and Independence :

- 一、Board Diversity: State the Board's policy, goals and the status of achievement on diversity .The diversity policy includes but is not limited to the selection criteria of directors, the professional qualifications and experience, the composition and proportion in relation to the gender, age, nationality, culture required of the Board, as well as a statement of the specific goals and status of achievement according to the aforementioned policy.
- 1、According to Article 20 of the Company's "Code of Practice on Corporate Governance", the capabilities of the board of directors as a whole should be as follows:
- The board of directors of the company shall guide the company's strategy, supervise the management level, and be responsible to the company and the shareholders' meeting. The operations and arrangements of its corporate governance system shall ensure that the board of directors exercises its functions and powers in accordance with laws and regulations, the company's articles of association or the resolutions of the shareholders' meeting. The structure of the board of directors of the company shall be based on the scale of the company's business development and the shareholding situation of its major shareholders, and the needs of practical operation to determine the appropriate number of directors as stipulated in the company's articles of association.
- The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
- 1.Basic requirements and values: Gender, age, nationality, and culture, The percentage of female directors shall constitute at least one-third of the seats of the Board of Directors.
- 2.Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
- 1.Ability to make operational judgments.
- 2.Ability to perform accounting and financial analysis.
- 3.Ability to conduct management administration.
- 4.Ability to conduct crisis management.
- 5.Knowledge of the industry.
- 6.An international market perspective.
- 7.Ability to lead.
- 8.Ability to make policy decisions.
- 2、The Company has 8directors (including 3 independent directors) according to the scale of operation and development needs. The background of the board members covers different nationalities, cultures, industries, academics, finance, accounting, management and other fields.
- 3、The specific management goal for Board diversity:
- (1)The Company focuses on gender equality in the composition of the Board of Directors, and at least one female Director should be included.
- (2)Among the members of the Board, Directors who are also concurrently the managers of the Company shall take up less than 1/3 of the seats of Directors (inclusive) for supervision purposes.
- 4、The company has eight directors, of which 25% are directors with employee status, and the number of independent directors’ accounts for 38% of all directors, 2 independent director has a term of office under 9 years, 1 independent director has a term of office above 9 years. 4 director is above 70 years old, and 2 directors are between 51~60 years old, with 2 directors under the age of 50 years old.
- 5、The Company's implementation of the board diversity policy

Job Title	Chairperson		Director			Independent Director		
name	Lim, Pok-Chin	Lim, Jie-Ren	Lim, Jie-Min	Neo, Khay-Pin	Wang, I-Yao	Hung, Da-Feng	Wang, Chia-Cheng	Lin, Hui-Ping
Gender	Male	Male	Female	Male	Male	Male	Male	Female
Nationality	Singapore	Singapore	Singapore	Singapore	ROC	ROC	ROC	ROC
Age	71~80	41~50	41~50	71~80	71~80	71~80	51~60	51~60
Part-time employee of the company	√	√						
Length of tenure of directors	More than 9 years	More than 9 years	3 years or les	More than 9 years	3 to 9 years	3 to 9 years	More than 9 years	3 to 9 years
	Skills and Experience							
Operational judgment	√	√	√	√	√	√	√	√
Accounting and finance analysis		√	√	√		√	√	√
Business management	√	√	√	√	√	√	√	√
Crisis handling	√	√	√	√	√	√	√	√
Industry knowledge	√	√	√		√		√	√
International market perspective	√	√	√	√	√	√	√	√
Leadership	√	√	√	√	√	√	√	√
Decision-making	√	√	√	√	√	√	√	√

- 二、Independence of the Board of Directors: State the number and proportion of independent directors, and explain that the board of directors is independent, and explain with reasons whether there are no items 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act, including a description of inter-director, Circumstances where the supervisors or the directors and supervisors have spouses and relatives within the second degree of kinship:
- The board of directors of the company consists of 3 independent directors and 5 directors, and independent directors account for 38% of all directors. Only three directors have first-degree relatives, and the remaining directors have no spouse or relatives within the second degree, which complies with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

(II) Management Team

Apr.21, 2025

Title (Note 1)	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	ROC	Hsueh, Hsiu-Chu	F	2021/04/01	1,247,860	2.49%	0	0	0	0	LuShuLin Co., Ltd. Chairperson Intech for Computer Education	Yixin Inc. Chairperson Yi-De Co., Ltd. Chairperson	None	None	None	
Chief Operating Officer	ROC	Yu, Hung-Wu	M	2019/06/04	0	0	0	0	0	0	IF CASA Chairperson EMBA, NTU	Deli Bed Co., Ltd. General Manager Chairperson	None	None	None	
Assistant Manager	ROC	Liao, I-Chen	F	2020/03/10	5,105	0.01%	0	0	0	0	Green Forest Co., Ltd. Manager Department of Data Processing, Shu Jen High School of Home Economics & Commerce	None	None	None	None	
CFO	ROC	Ho, San- Chuang	M	2011/05/02 2011/07/19	0	0	0	0	0	0	Yoko International Financial Manager MCU BA NTUST EMBA	None	None	None	None	
Chief Auditor	ROC	Huang, Shu-Ling	F	2016/11/03	0	0	0	0	0	0	Formosa Epitaxy Incorporation Auditor Vice Manager PwC Taiwan Auditor Director TKU BA	None	None	None	None	

Note 1: The General manager, deputy general manager, associate, department and branch supervisor data should be included, and where the position is equivalent to the general manager, deputy Manager or associate, regardless of job title, should also be disclosed.

Note 2: The experience associated with a current position, such as having served on a accounting firm or a relational enterprise during the pre-unveiling period, shall state the title and responsible position of the office.

Note 3: If the positions of the general manager or equivalent titles (senior manager) and the Chairman are held by the same person, spouses or first degree of kinship, the reason, rationality, necessity, and countermeasures shall be expose.

(III) Succession Plan of the Board of Directors and Key Senior Management and Operational scenarios

1.ccession planning for members of the Board of Directors and Operational scenarios：

- (1) The Company currently has 8 Directors (including 3 Independent Directors) with business, finance, accounting expertise, or management expertise necessary for the business of the Company, of which 2 Directors are also senior management of the Company. In the future, the structure of the Board of Directors, as well as the experiences and background of its members will maintain its current status. The Company has a strong talent pool to take over future Directors' vacancies in a timely manner. According to the laws and regulations, Independent Directors are required to have working experience in business, legal, finance, accounting or other areas necessary for the business of the Company. Therefore, future successions will prioritize professions in each field.
- (2) The Company has also set forth the "Evaluation Measures for the Performance of the Board" to ensure the effectiveness in the operation of the Board and evaluate the performance of directors by evaluation items of performance evaluation, including the alignment of the goals and missions of the Company, awareness of the duties, participation in the operation, management of internal relationship and communication, professionalism and continuing education, internal control and expression of specific opinion, which will be the future reference in the selection of Directors.

2.Key management succession planning and operation:

- (1) Positions of manager or above of the Company are members of the key management, each of whom has completed the departmental duties and job descriptions, and has trained representatives with designated duties：Strengthen the mechanism of job agency and job rotation.The Company has established an education and training system and a comprehensive promotion channel to provide employees with opportunities for continuous improvement and development.
- (2)The Company conducts annual performance review on its employees. Through daily observation and performance evaluation, the Company can understand areas that should be improved, needs of personal development and expectations of the Company. The result of the review is the reference for future succession planning.

II 、 Remuneration of Directors, President, and Vice President

(I)I.Remuneration of Directors

Apr.21, 2025   ；  Unit: NT\$ thousands

Title (Note1)	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G ) to Net Income (%) (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 11)
		Base Compensation (A) (Note2)		Severance Pay (B)		Bonus to (C) (Note 3)		Base Compensation (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Profit Sharing- Employee Bonus (G) (Note 6)						
		The comp any	All compa nies in the consolid ated financial stateme nts (Note 7)	The comp any	Compan ies in the consolid ated financial stateme nts (Note 7)	The comp any	Compan ies in the consolid ated financial stateme nts (Note 7)	The comp any	Compan ies in the consolid ated financial stateme nts (Note 7)	The comp any	Compan ies in the consolid ated financial stateme nts (Note 7)	The comp any	Compan ies in the consolid ated financial stateme nts (Note 7)	The company		Companies in the consolidated financial statements (Note 7)		The compa ny	Companies in the consolidate d financial statements (Note7)			
Chairperson	BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	0	6,875	0	0	1,488	1,488	1,460	1,460	2,948 3.67%	9,824 12.22%	9,116	11,346	0	0	197	0	197	0	12,261 15.25%	21,367 26.57%	None
General Director	Neo, hay-Pin																					
	Lim, Jie-Ren																					
	Lim, Jie-Min																					
	Wang, I-Yao																					
Independent Director	Wang, Chia-Cheng																					
	Hung,Da-Feng																					
	Lin, Hui-Ping																					
1. Please specify the independent directors' remuneration policy, system, standards, and structure of, and specify the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: the remuneration of independent directors is based on the Articles of Association and the regulations governing the remuneration of directors and supervisors. The remuneration shall submit to the Board meeting for resolution in accordance with the degree of participation and contribution to the Company 's operations with reference to the standard of the industry. 2. In addition to the disclosure in the table above, specify the compensation received by the directors providing services to the company:None																						

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company ( Note 8 )	Companies in the consolidated financial statements ( Note 9 ) H	The company ( Note 8 )	Companies in the consolidated financial statements ( Note 9 ) I
Under NT\$ 1,000,000	Neo, Khay-Pin 、 Lim, Jie-Ren Lim, Jie-Min 、 Wang, I-Yao Wang, Chia-Cheng 、 Hung,Da-Feng Lin, Hui-Ping	Neo, Khay-Pin 、 Lim, Jie-Min 、 Wang, I-Yao Wang, Chia-Cheng 、 Hung,Da-Feng 、 Lin, Hui-Ping	Neo, Khay-Pin 、 Lim, Jie-Min 、 Wang, I-Yao Wang, Chia-Cheng 、 Hung,Da-Feng 、 Lin, Hui-Ping	Neo, Khay-Pin 、 Lim, Jie-Min 、 Wang, I-Yao Wang, Chia-Cheng 、 Hung,Da-Feng 、 Lin, Hui-Ping
NT\$1,000,000 ~ NT\$1,999,999	Lim, Pok-Chin			
NT\$2,000,000 ~ NT\$3,499,999		Lim, Jie-Ren	Lim, Jie-Ren	
NT\$3,500,000 ~ NT\$4, 999,999				
NT\$5,000,000 ~ NT\$9, 999,999		Lim, Pok-Chin	Lim, Pok-Chin	Lim, Jie-Ren
NT\$10,000,000 ~ NT\$14, 999,999				Lim, Pok-Chin
NT\$15,000,000~ NT\$29, 999,999				
NT\$30,000,000~ NT\$49, 999,999				
NT\$50,000,000 ~ NT\$99, 999,999				
Over NT\$100,000,000				
Total	8	8	8	8

- Note 1: The names of directors should be listed separately (corporate shareholders should list the names and representatives of the corporate shareholders separately). The names of general directors and independent directors should also be listed separately. The amount of each payment should be disclosed in a consolidated manner. A director concurrently serves as a general manager or deputy general manager should fill in this table and Table (3-1) or (3-2) below.
- Note 2: Refer to the remuneration paid to directors in the most recent year (including director's salaries, job remuneration, severance, bonuses, and incentives etc.).
- Note 3: Fill in the amount of remuneration of directors assigned by the board in the most recent year.
- Note 4: Refers to the most recent annual directors related business implementation costs (including supervisors, special expenses, various allowances, dormitories, distribution vehicles and other in-kind provision, etc.). In the case of the provision of housing, motor vehicles and other means of transport or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent, oil and other payments at fair market value shall be disclosed. In the case of a driver, please note that the company pays the relevant remuneration of the driver, but does not count towards the remuneration.
- Note 5: Refers to the most recent annual director of the staff (including also the General manager, deputy general manager, other managers and employees) received including salary, job bonus, severance payment, various bonuses, awards, supervisors, special fees, various allowances, dormitories, distribution vehicles and other in-kind provision and so on. In the case of the provision of housing, motor vehicles and other means of transport or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent, oil and other payments at fair market value shall be disclosed. In the case of a driver, please note that the company pays the relevant remuneration of the driver, but does not count towards the remuneration. Also in accordance with the IFRS 2, share base payment" recognized salary costs, including the acquisition of employee recognition certificates, restrictions on the rights of employees of new shares and participation in cash capital to subscribe for shares, and so on, should be included in the remuneration.
- Note 6: Refer to the most recent annual director of the staff (including also the General manager, deputy general manager, other managers and employees) to obtain staff remuneration (inclusive of stocks and cash); Please disclose the most recent year by the Board of directors through the allocation of staff remuneration, if it is not possible to estimate the proportion of the actual allocation of this year's proposed allocation.
- Note 7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the combined report shall be disclosed.
- Note 8: The company's payment of total remuneration to each director and exposes the name of the director in the distance to which it belongs.
- Note 9: When the aggregate amount of the remuneration paid to the Company's directors from all companies in the consolidated financial statements (including the Company) should be disclosed, the name of the director should also be disclosed in the level in which he/she belongs.
- Note 10: Net profit after tax refers to the net profit after tax in the most recent parent company only or individual financial report.
- Note 11: a. This field should clearly indicate the amount of remuneration received by the Company's directors from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "none").  
b. Remuneration received by the Company's directors from a reinvestment business other than a subsidiary or the parent company shall be combined into the field I of the Table of Range of Remuneration, which shall be renamed as "Parent Company and All Reinvestment Business".  
c. Remuneration refers to rewards, compensations (including compensation to employees, directors or supervisors) and allowances from professional practice received by the Company's director from a reinvestment business other than a subsidiary or the parent company for their services as a director, supervisor, or manager.
- Note 12: The drivers of the Company are jointly employed by the Office of the Chairman and the Office of the President. In 2024, a total compensation of NT\$685 thousand was disbursed.
- \* The remuneration disclosed in this table is different from the concepts stipulated in the Income Tax Act. The purpose of this table is for information disclosure instead of taxation.

(I)II. Remuneration of the President and Vice President

Apr.21, 2025   ； Unit: NT\$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances , etc.(C) (Note 3)		Profit Sharing- Employee Bonus (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 8)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary (Note 9)
		The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company	Companies in the consolidated financial statements (Note 5)	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	Hsueh, Hsiu-Chu	3,890	3,890	0	0	3,092	3,092	623	0	623	0	7,605 9.46%	7,605 9.46%	None
Chief Operating Officer	Yu, Hung-Wu	1,380	1,380	0	0	115	115	300	0	300	0	1,795 2.23%	1,795 2.23%	None

\*all the person receiving compensation equal to the GM regardless of the actual position.

Range of Remuneration

Range of Remuneration	Name of President and Vice President	
	The company   ( Note 6 )	Companies in the consolidated financial statements   ( Note 7 )
Under NT\$ 1,000,000		
NT\$1,000,000 ~ NT\$1,999,999	Yu, Hung-Wu	Yu, Hung-Wu
NT\$2,000,000 ~ NT\$3,499,999		
NT\$3,500,000 ~ NT\$4, 999,999		
NT\$5,000,000 ~ NT\$9, 999,999	Hsueh, Hsiu-Chu	Hsueh, Hsiu-Chu
NT\$10,000,000 ~ NT\$14, 999,999		
NT\$15,000,000 ~ NT\$29, 999,999		
NT\$30,000,000 ~ NT\$49, 999,999		
NT\$50,000,000 ~ NT\$99, 999,999		
Over NT\$100,000,000		
Total	2	2

Note 1: The names of the general manager and the deputy general manager should be listed separately, and the amount of each payment should be disclosed in a summary manner. If the director is also the general manager or deputy general manager, this form and the above form (1-1) or (1-2) shall be filled out.

Note 2: This is to list the salary, post supplement and severance payment of the general manager and deputy general manager of the most recent year.

Note 3: This is to list the various bonus, incentives, transportation allowances, special disbursement, various allowances, and physical supplies such as dormitory or car, and other remuneration of the general manager and deputy general manager. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the rent at actual or at a fair market price, fuel expenses and other payments shall be disclosed. If a driver is provided, please note to describe the Company's payment for the driver, but not to be included in the remuneration. The salary expenses recognized in accordance with IFRS 2 “Share-based payment”, including obtaining employee stock option certificates, employee restricted stock awards and participating in issuance of common stock for cash with shares subscription, shall also be included in the remuneration.

Note 4: This is to list the remuneration (including stocks and cash) of the general manager and deputy general manager approved by the board of directors in the most recent year. If the amount was not able to be estimated, the proposed distribution this year shall be calculated based on the actual distribution last year, and the table 1.3 shall be filled out. Net profit after tax refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the net profit after tax is the net profit after tax of the individual or separated financial report of the most recent year.

Note 5: The remuneration paid by all the companies (including the Company) in the consolidated report to the general manager and deputy general manager of the Company shall be disclosed.

Note 6: The remuneration paid by the Company to each general manager and deputy general manager, for that the names of general manager and deputy general manager shall be disclosed in the belonged range of remuneration.

Note 7: The remuneration paid by all the companies (including the Company) in the consolidated report paid to each general manager and deputy general manager of the Company shall be disclosed, and the names of general manager and deputy general manager shall be disclosed in the belonged range of remuneration.

Note 8: Net profit after tax refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the net profit after tax is the net profit after tax of individual or separated financial report in the most recent year.

Note 9: a. This field should clearly indicate the amount of remuneration received by the Company ’s general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company (if not, please fill in “none”).

b. Remuneration received by the Company's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company shall be combined into the field E of the Table of Range of Remuneration, which shall be renamed as "Parent Company and All Reinvestment Business".

c. Remuneration refers to rewards, compensations (including compensation to employees, directors or supervisors) and allowances from professional practice received by the Company's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company for their services as a director, supervisor, or manager.

Note 10: The drivers of the Company are jointly employed by the Office of the Chairman and the Office of the President. In 2024, a total compensation of NT\$685 thousand was disbursed.

\* The remuneration disclosed in this form is different from the concept of the income tax law, so the purpose of this form is for information disclosure and not for tax.

## (II) Manager responsible for salary allocation

Dec.31,2024

	Title (Note 1)	Name (Note 1)	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	General Manager	Hsueh, Hsiu-Chu	0	1,428	1,428	1.78%
	Chief Operating Officer	Yu, Hung-Wu				
	Assistant Manager	Liao, I-Chen				
	CFO	Ho, San-Chuang				
	Chief Auditor	Huang, Shu-Ling				

Note 1: Individual names and titles shall be disclosed, but the remuneration distribution can be disclosed in a summary manner.

Note 2: This is to list the remuneration (including stocks and cash) of the managers approved by the board of directors in the most recent year. If the amount was not able to be estimated, the proposed distribution this year shall be calculated based on the actual distribution last year. Net profit after tax refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the net profit after tax is the net profit after tax of the individual or separated financial report of the most recent year.

Note 3: The scope of the manager is stipulated by the letter No. 0920001301 of the Taiwan-Finance-Securities of March 27, 2003 by the Commission, the scope is as follow:

- (1) General manager and equivalent
- (2) Deputy general manager and equivalent
- (3) Associate general manager and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons who have the right to manage affairs and sign for the Company

Note 4: If the directors, general manager and deputy general manager have received employee compensation (including stocks and cash), in addition to the table 1.2, this table shall be filled out as well.

(III) Comparing the remuneration paid to the Company's directors, general manager and deputy general manager by the Company and all the companies in the financial report in the last two years in the ratio of net profit after tax, and describe the policy, standard and portfolio of remuneration, the procedures for determining remuneration and its correlation with business performance and future risks:

1. Remuneration standards for the directors, supervisors, general managers and deputy general managers

Unit: thousand dollars; %

Position	2024				2023			
	The Company		Consolidated companies		The Company		Consolidated companies	
	Compensation	Net profit after tax rate	Compensation	Net profit after tax rate	Compensation	Net profit after tax rate	Compensation	Net profit after tax rate
Director	12,261	15.25%	21,367	26.57%	11,814	11.44%	20,675	20.02%
GM and Vice GM	9,400	11.69%	9,400	11.69%	6,452	6.25%	6,452	6.25%

2. Remuneration policies, standards and portfolio, procedures for determining remuneration and its correlations with business performance and future risks

(1) Directors: In accordance with the Company's Articles of Incorporation, the results of Directors'



performance evaluation, the level of participation and contribution in the operation of the Company, as well as giving consideration to the Company's operating performance and industry standards, and also in accordance with the Company's "Rules Governing the Payment of Directors' Remuneration". The Chairman's participation in the management of the Company's operation is governed by regulations, and additional weighted distribution shall be made When the target of operating efficiency is achieved. The results will be reviewed by the Compensation Committee before submission to the Board for discussion.

- (2)General Manager and Deputy General Manager: The salaries, bonuses and employee compensation of the General Manager and Deputy General Manager are determined based on their positions held, duties and contributions to the Company's performance and the results of the Company's operations, as well as the reference to industry standards; an overall consideration is given to employee compensation based on their participation in the Company's operations and performance evaluation. Aspects to be considerations include financial indicators (such as the achievement rate of after-tax net profit) and non-financial indicators (practice and operational management capabilities of the company's core values, financial and business operation performance indicators and comprehensive management indicators, other special contributions or major negative events, etc. ),which are considered for performance evaluation and the distribution and payment of compensation.
- (3)Correlation between operational performance and future risks:  
The Company's policy on the payment of remuneration to Directors, general manager and deputy general managers, and the procedures for determining remuneration are positively correlated with operating performance. Also, the amount of payment is disclosed in accordance with laws and regulations, and the future risk should be limited.

### III 、Implementation of Corporate Governance

#### (I) Board of Directors

Hold 5 meetings in 2024 【A】 , participating status is as follows :

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 2)	Remarks
Chairperson	BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	5	0	100.00%	Extended, re-elected 2023/6/19
Director	Neo, Khay-Pin	5	0	100.00%	Extended, re-elected 2023/6/19
Director	Lim, Jie-Ren	5	0	100.00%	Extended, re-elected 2023/6/19
Director	Lim, Jie-Min	5	0	100.00%	New election , 2023/6/19
Director	Wang, I-Yao	5	0	100.00%	Extended, re-elected 2023/6/19
Independent Director	Wang, hia- Cheng	5	0	100.00%	Extended, re-elected 2023/6/19
Independent Director	Hung, Da-Feng	5	0	100.00%	Extended, re-elected 2023/6/19
Independent Director	Lin, Hui-Ping	5	0	100.00%	Extended, re-elected 2023/6/19

Other mentionable items:

I 、 If there are circumstances referred to in Article 14-3 of the Securities and Exchange Act and resolutions of the directors' meetings objected to by independent directors or subject to qualified opinion and recorded or declared in writing, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified: Refer to P.16 (Note 3) .

II 、 If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: Refer to P.18 (Note 4) .

III 、 TWSE/TPEX listed companies shall disclose information on the evaluation cycle and period,

scope, method, and content of the Board of Director's self (or peer) evaluation, and fill out the status of Board evaluation in Table 2(2) , Refer to P.21.

IV 、 The objectives of strengthening the functions of the board of directors in the current and most recent years (such as setting up an audit committee, improving information transparency, etc.) and performance evaluation:

- 1 、 The Company has selected suitable board of directors and supervisors courses within Taiwan Corporate Governance Association in June 21, 2024. and arranged 6 hours training for the board of directors and supervisors in order to strengthen the functions of the board of directors.
- 2 、 In order to realize the corporate governance spirit and effectively improve information transparency, The Company has established a dedicated section on its website to disclose information related to the Board of Directors, functional committees, sustainability reports, corporate governance regulations, and other important aspects of corporate governance. Designated personnel is responsible for ensuring continuous updates.
- 3 、 A sound and effective board of directors is the foundation of good corporate governance. Under this principle, a remuneration committee is established to assist the board in carrying out its duties.
- 4 、 The Company has established the Audit Committee to replace the power of supervisors and strengthen the function of the Board of Directors after the re-election of directors and supervisors at the general shareholders meeting on June 17, 2020.
- 5 、 In order to implement corporate governance and enhance the functions of the Board of Directors to establish performance targets and strengthen the effectiveness of the Board of Directors, On November 10, 2020, the establishment of the Rules for Performance Evaluation of Board of Directors was finalized. Performance evaluations for the Board of Directors, functional committees, and individual directors are conducted at the beginning of each year. The evaluation results for the year of 2024 were reported as "Exceeding Standards" to the Board of Directors on March 13, 2025, and the declaration was completed before the end of the first quarter of the following year, in accordance with existing regulations.
- 6 、 In December 2023, the Company established the "Sustainable Development Task Force", which is responsible for advancing operations related to sustainable development. On August 12, 2024, the Board of Directors approved and formulated the following regulations: the "Sustainable Development Best Practice Principles", the "Code of Ethical Conduct for Directors and Managers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Risk Management Policies and Procedures".  
The Sustainable Development Task Force is required to report annually to the Board of Directors on the progress of sustainable development initiatives. On November 11, 2024, the Task Force presented to the Board the current year's implementation status of sustainable development initiatives, key points of stakeholder communication, the status of risk management execution, and the implementation of ethical corporate management.

V 、 Communication between independent directors, manager of internal audit and certified public accountants (for example, the matters, the methods and results of communication on company finances and business conditions) Refer to P.19 (Note 5 、 6) .

Note 1 : Directors and supervisors are juridical persons, the names of the juridical person shareholder and the names of its representative shall be disclosed.

Note 2 : ( 1 ) If the directors or supervisors resign before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual attendance during their employment.

( 2 ) Before the end of the year, if there is a re-election of the directors or supervisors, the new and old directors and supervisors are to be listed and remark in the remarks column to indicate the directors or supervisors as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the number of board meetings held and the actual attendance during their employment.

Note 3 : The matters listed in Article 14-3 of the Securities and Exchange Act, and other matters resolved by the Board meeting for which independent directors have provided dissenting or qualified opinion.

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinion of the independent director
5th Meeting of the 11th session March 13, 2024	1. The Distribution of the Company's Directors, Employees Remuneration in 2023.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. 2023 year-end bonus distribution for the Company's managers.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3. 2023 year-end bonus distribution for the subsidiaries Director.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4. evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration n.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	5. The Company's subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case .	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
6th Meeting of the 11th session May 09, 2024	1. The Distribution of the Company's Directors, Managers Employees Remuneration in 2023.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
7th Meeting of the 11th session July 05, 2024	1. Tainan Logistics Warehouse Construction Project.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
8th Meeting of the 11th session August 12, 2024	1. Acquisition of Leasehold Rights from Related Parties.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. Approval of the improvement plan of sub-subsidiary Nova Furnishing Centre Pte Ltd. for exceeding endorsement/guarantee limits.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinion of the independent director
9th Meeting of the 11th session November 11, 2024	1. 2024 year-end bonus distribution for the Company's managers.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. 2024 year-end bonus distribution for the subsidiaries Director.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3. The amendment of certain provisions of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4. amendments to the certain provisions of the internal control system and internal audit implementation rules of the Company's "Other Management."	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
10th Meeting of the 11th session March 13, 2025	1. The Distribution of the Company's Directors, Employees Remuneration in 2024.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2. 2024 year-end bonus distribution for the Company's managers.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3. 2024 year-end bonus distribution for the subsidiaries Director.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4. evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	5. Amendments to the certain provisions of the Company's Regulations Governing Articles of Association.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-3 of Securities and Exchange Act	Dissenting or qualified opinion of the independent director
10th Meeting of the 11th session March 13, 2025	6. The Company's subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.			

Note 4: In 2024, Directors abstaining from resolution with conflict of interest

Date of the meeting	Resolution	Directors avoiding conflict of interest, reasons for avoidance and participation in voting
6th Meeting of the 11th session May 09, 2024	Company's 2023 Remuneration Payment for Directors and Remuneration Payment for Managers and Employees.	<ol style="list-style-type: none"> <li>1. As Chairman Lin, managers (General Manager Hsiu-Chu Hsieh, Finance Director Shan-Chuang Ho, Audit Director Shu-Ling Huang) have personal interests in this case, he will abstain from discussion and voting. In addition, director Wang, Chia-Cheng will be appointed to act as the acting chairman temporarily for the discussion of the resolution.</li> <li>2. When the director's spouse, relative within the second degree of kinship or a company that has a controlled affiliation with the director is interested, the director shall not participate in the discussion and voting in the Board meeting. As director Lim, Jie-Ren and Lim, Jie-Min has a conflict of interest in this resolution, he will abstain from discussion and voting.</li> <li>3. Approved by Mr. Wang, Chia-Cheng, the acting chairman and independent director, with the resolution of all directors present.</li> </ol>
8th Meeting of the 11th session August 12, 2024	Acquisition of Leasehold Rights from Related Parties.	<ol style="list-style-type: none"> <li>1. The General Manager is the responsible person for Shi Ken International Co., Ltd., and has a personal interest in this matter. Therefore, in accordance with the law, she is required to recuse herself from this discussion due to the conflict of interest. After the stakeholder recused themselves, the chairman solicited opinions from all attending directors, and the motion was passed without objection.</li> </ol>
9th Meeting of the 11th session November 11, 2024	2024 year-end bonus distribution for the Company's managers.	<ol style="list-style-type: none"> <li>1. Lim, Jie-Ren, is a related party with conflict of interest in this resolution, he will abstain from discussion and voting.</li> <li>2. When the director's spouse, relative within the second degree of kinship or a company that has a controlled affiliation with the director is interested, the director shall not participate in the discussion and voting in the Board meeting. As director As Chairman Lin and Lim, Jie-Min has a conflict of interest in this resolution, he will abstain from discussion and voting. In addition, director Wang, Chia-Cheng will be appointed to act as the acting chairman temporarily for the discussion of the resolution.</li> <li>3. Approved by Mr. Wang, Chia-Cheng, the acting chairman and independent director, with the resolution of all directors present.</li> </ol>

Date of the meeting	Resolution	Directors avoiding conflict of interest, reasons for avoidance and participation in voting
9th Meeting of the 11th session November 11, 2024	2024 year-end bonus distribution for the subsidiaries Director.	<ol style="list-style-type: none"> <li>Chairman Lim and Director Lim, Jie-Ren have a conflict of interest in this resolution. They will abstain from the discussion and voting of this resolution. In addition, independent director Wang, Chia-Cheng will be appointed to act as the acting chairman temporarily for the discussion of the resolution.</li> <li>When the director's spouse, relative within the second degree of kinship or a company that has a controlled affiliation with the director is interested, the director shall not participate in the discussion and voting in the Board meeting. As director Lim, Jie-Min has a conflict of interest in this resolution, he will abstain from discussion and voting.</li> <li>Approved by Mr. Wang, Chia-Cheng, the acting chairman and independent director, with the resolution of all directors present.</li> </ol>

Note 5: Communication between the independent directors and chief internal auditor

- (1) Independent directors provide timely feedback through the monthly audit report provided by the chief internal auditor.
- (2) The internal audit supervisor of the Company regularly reported the audit reports to Independent Director in the Audit Committee meetings, communicating the results of the audit report and the execution of the follow-up report with the Independent Director.

(3) Major communication from January 1, 2024 to April 30, 2025 is as follows

Date	Item	Recommendations and Results
5th Meeting of the 11th session March 13, 2024	<ol style="list-style-type: none"> <li>Report on internal audit operations</li> <li>Examination and statement of the effectiveness of the internal control system in 2023</li> </ol>	communication no opinion
6th Meeting of the 11th session May 09, 2024	Report on internal audit operations	communication no opinion
8th Meeting of the 11th session August 12, 2024	Report on internal audit operations	Communication no opinion
9th Meeting of the 11th session November 11, 2024	<ol style="list-style-type: none"> <li>Report on internal audit operations</li> <li>2025 audit plan</li> </ol>	communication no opinion
10th Meeting of the 11th session March 13, 2025	<ol style="list-style-type: none"> <li>Report on internal audit operations</li> <li>Examination and statement of the effectiveness of the internal control system in 2024</li> </ol>	communication no opinion

Note 6: Communication between independent directors and CPAs

- (1) The Company's CPAs communicate and report the review or audit results of the financial statements of the Company and its subsidiaries at home and abroad to Independent Director during the quarterly Audit Committee meetings.

(2) Major communication from January 1, 2024 to April 30, 2025 is as follows

Date	Item	Recommendations and Results
5th Meeting of the 11th session March 13, 2024	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
6th Meeting of the 11th session May 09, 2024	CPA explanation on the audit results of the individual and consolidated financial report	Communication no opinion
8th Meeting of the 11th session August 12, 2024	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
9th Meeting of the 11th session November 11, 2024	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
10th Meeting of the 11th session March 13, 2025	CPA explanation on the audit results of the consolidated financial report	Communication no opinion



## (II) Evaluation of the performance of the Board of Directors

Evaluation cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
The evaluation is conducted at the end of each year in accordance with the procedures.	2024	Performance evaluation of the Board of Directors as a whole, individual directors, and functional committees	The performance evaluation methods include internal self-evaluation of the Board of Directors and director self-evaluation.	<p>The standards for the performance evaluation of the Board of Members include the following five aspects:</p> <ol style="list-style-type: none"> <li>1. The level of participation in the Company's operations.</li> <li>2. Increase in the quality of the Board of Directors' decisions.</li> <li>3. The composition and structure of the Board of Directors.</li> <li>4. The election and continuous education of directors.</li> <li>5. Internal control.</li> </ol> <p>The evaluation result is above standard</p> <p>The standards for the performance evaluation of individual director include the following six aspects:</p> <ol style="list-style-type: none"> <li>1. Understanding of the Company's objectives and missions.</li> <li>2. Understanding of directors' responsibilities.</li> <li>3. Participation in the Company's operations.</li> <li>4. Internal relationship management and communication.</li> <li>5. Professional and continuous education of directors.</li> <li>6. Internal control.</li> </ol> <p>The evaluation result is above standard</p> <p>The standards for the performance evaluation of the functional committees include the following five aspects:</p> <ol style="list-style-type: none"> <li>1. The level of participation in the Company's operations.</li> <li>2. Understanding of the functional committees' responsibilities.</li> <li>3. Increase in the quality of the functional committees' decisions.</li> <li>4. The composition and election of the members of the functional committees.</li> <li>5. Internal control.</li> </ol> <p>The evaluation result is above standard</p>

- Note 1: Fill in the evaluation cycle of the Board of Directors. For example: once a year.
- Note 2: Fill in the period covered by the evaluation covered by the Board of Directors. For example: The performance evaluation of the Board of Directors from January 1, 2024 to December 31, 2024.
- Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual board members and functional committees.
- Note 4: The performance evaluation methods include internal self-evaluation of the Board of Directors, self-evaluation and peer evaluation of the directors, the appointment of external professional institutions or experts, or other appropriate methods.
- Note 5: The evaluation content includes at least the following items according to the evaluation scope:
- (1) Performance evaluation of the Board of Directors: At least include the level of participation in the Company's operations, the quality of the Board of Directors' decisions, the composition and structure of the Board of Directors, the election and continuous education of directors, internal control, etc.
  - (2) Performance evaluation of individual directors: At least including the understanding of the Company's objectives and missions, directors' responsibilities, participation in the Company's operations, internal relationship management and communication, professional and continuous education of directors, internal control, etc.
  - (3) Performance evaluation of the functional committees: At least include the level of participation in the Company's operations, the quality of the functional committees' decisions, the composition and election of the members of the functional committees, internal control, etc.
- Note 6: On November 10, 2020, the Company approved the "Rules for Performance Evaluation of Board of Directors", which stipulates that the Board of Directors shall conduct annual performance evaluations encompassing the entire Board of Directors, functional committees, and individual directors. In the first quarter of 2025, evaluations of the performance in 2024 for the Board of Directors, functional committees (including the Audit Committee and the Remuneration Committee), and individual board members (including independent directors) were completed. The evaluations were conducted using a self-assessment questionnaire and the results were reported to the Board of Directors on March 13, 2025.

### ( III ) Audit committee operation information:

The Audit Committee, comprising of all independent directors, was established on June 19, 2023 to replace the function of the supervisors. In 2024, the Audit Committee held 5 meetings (A). The attendance records of independent directors are as follows:

Title	Name ( Note 1 )	Attendance in Person (B)	By Proxy	Attendance Rate (%) ( Note 2 、 Note 2 )	Title
Independent Director	Wang, Chia-Cheng	5	0	100.00%	Extended, re-elected 2023/6/19
Independent Director	Hung, Da-Feng	5	0	100.00%	Extended, re-elected 2023/6/19
Independent Director	Lin, Hui-Ping	5	0	100.00%	Extended, re-elected 2023/6/19

#### Other mentionable items:

I 、 In the event of any of the following circumstances, the operation of the Audit Committee shall specify the date, duration, content of the proposal, objections of independent directors, reservations or major recommendations, the results of the audit committee's resolutions and the company's handling of the audit committee's opinions.

- (1) Matters referred to in Article 14-5 of the Securities and Exchange Act. Refer to P.24 ( Note 2 )
- (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors : None.

II 、 If there are independent directors' avoidance of motions in conflict of interest, the directors's names, contents of motion, causes for avoidance and voting should be specified:None

III 、 Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.): Refer to P.26~27 ( Note 3 、 4 ) .

#### IV 、 Audit Committee's Work Priorities for the Year 2024

- 1.Review, establish, or amend the internal control system.
- 2.Review the assessment of the effectiveness of the internal control system.
- 3.Review or revise operating procedures of material financial business, such as the acquisition or disposal of assets, the trading of derivatives, loans to others, and provision of guarantees/endorsements.
- 4.Review matters bearing on the personal interest of a director.
- 5.Review material assets or derivatives trading.
- 6.Review material loaning of funds, and provision of endorsements/guarantees.
- 7.Review offering, issuance, or private placement of any equity based securities.
- 8.Review the appointment, dismissal, or compensation of CPAs.
- 9.Review the appointment or dismissal of a finance manager, accounting manager or chief internal auditor.
- 10.Review annual financial reports and quarterly financial reports.
- 11.Review other significant matters required by the Company or the competent authority.

#### ●Review of financial report

The Board of Directors has prepared the Company's 2023 business report, financial statements, and earnings appropriation, among which the financial statements have been audited by Deloitte & Touche, and the CPAs have issued an audit report. The aforementioned business report, financial statements, and earnings appropriation have been reviewed and determined to be correct and accurate by the Audit

Committee.

● Evaluation of the effectiveness of internal control system

The Audit Committee has evaluated the effectiveness of the policies and procedures of the Company's internal control system, reviewed the qualification of the Audit Committee members and CPAs, and also reviewed the regular reports submitted by the management. The Audit Committee deemed that the Company's risk management and internal control system are effective, and the Company has adopted necessary mechanisms to monitor and correct any violations.

● Retaining of CPAs

Audit Committee is charged with the responsibility to supervise the independence of CPAs to ensure the fairness of the financial statements. In general, CPAs shall not provide the Company with any services other than taxation-related services or services otherwise approved. All services provided by the CPAs shall be approved by the Audit Committee.

V、Conditions and Independence of the Audit Committee: Refer to P.40~42.

Note 1 : (1) If the Independent Director resign before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Audit committee meetings held and the actual attendance during their employment.

(2) Before the end of the year, if there is a re-election of the Independent Director, the new and old Independent Director are to be listed and remark in the remarks column to indicate the Audit committee as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the actual attendance during their employment.

Note 2: The matters listed in Article 14-5 of the Securities and Exchange Act, and other resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-5 of Securities and Exchange Act	resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
04th Meeting of the 2th session March 13, 2024	1、2023 business report and financial statements.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、2023 Internal Control System Statement.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4、The Company's subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-5 of Securities and Exchange Act	resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
05th Meeting of the 2th session May 09,2024	1、2024 Q1 consolidated financial report.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
06th Meeting of the 2th session July 05,2024	1、Tainan Logistics Warehouse Construction Project.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
07th Meeting of the 2th session August 12,2024	1、2024 Q2 consolidated financial report.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、Acquisition of Leasehold Rights from Related Parties.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、Approval of the improvement plan of sub-subsidiary Nova Furnishing Centre Pte Ltd. for exceeding endorsement/guarantee limits.		
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
08th Meeting of the 2th session November 11,2024	1、2023 Q3 consolidated financial report.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、The Company's 2024 audit plans.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、The amendment of certain provisions of the Company's Regulations Governing Audit Committee Charter.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4、Amendments to the certain provisions of the Company's Regulations Governing Articles of Association.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Date of the meeting	Content of Resolutions and Follow-up Actions	Matters specified in Article 14-5 of Securities and Exchange Act	resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
08th Meeting of the 2th session November 11, 2024	5、amendments to the certain provisions of the internal control system and internal audit implementation rules of the Company's "Other Management."	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
09th Meeting of the 2th session March 13, 2025	1、2024 business report and financial statements.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	2、evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	3、2024 Internal Control System Statement.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		
	4、The Company's subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.	V	None
	Independent director's opinions: None The Company's response to the opinions from independent directors: None Resolution: Approved by the Chairman with the resolution of all directors present.		

Note 3 Communication between the independent directors and chief internal auditor

- (1) Independent directors provide timely feedback through the monthly audit report provided by the chief internal auditor.
- (2) The internal audit supervisor of the Company regularly reported the audit reports to Independent Director in the Audit Committee meetings, communicating the results of the audit report and the execution of the follow-up report with the Independent Director.
- (3) Major communication from January 1, 2024 to April 30, 2025 is as follows

Date	Item	Recommendations and Results
4th Meeting of the 2th session March 13, 2024	1. Report on internal audit operations 2. Examination and statement of the effectiveness of the internal control system in 2023	Communication no opinion
5th Meeting of the 2th session May 09, 2024	Report on internal audit operations	Communication no opinion

Date	Item	Recommendations and Results
7th Meeting of the 2th session August 12, 2024	Report on internal audit operations	Communication no opinion
8th Meeting of the 2th session November 11, 2024	1. Report on internal audit operations 2. 2025 audit plan	Communication no opinion
9th Meeting of the 2th session March 13, 2025	1. Report on internal audit operations 2. Examination and statement of the effectiveness of the internal control system in 2024	Communication no opinion

Note 4: Communication between independent directors and CPAs

(1) The Company's CPAs communicate and report the review or audit results of the financial statements of the Company and its subsidiaries at home and abroad to Independent Director during the quarterly Audit Committee meetings.

(2) Major communication from January 1, 2023 to April 30, 2024 is as follows

Date	Item	Recommendations and Results
4th Meeting of the 2th session March 13, 2024	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
5th Meeting of the 2th session May 09, 2024	CPA explanation on the audit results of the individual and consolidated financial report	Communication no opinion
7th Meeting of the 2th session August 12, 2024	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
8th Meeting of the 2th session November 11, 2024	CPA explanation on the audit results of the consolidated financial report	Communication no opinion
9th Meeting of the 2th session March 13, 2025	CPA explanation on the audit results of the consolidated financial report	Communication no opinion

(IV) Corporate governance condition, differences in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and its reasons

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
I. Did the Company stipulate and disclose best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the "Corporate Governance Best-practice Principles" in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed the principles on the Market Observation Post System (MOPS) and the company website.	The Company has established the "Corporate Governance Best-practice Principles".
II. Equity structure and shareholders' rights of the Company (I) Did the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the procedure?	V		(I) The Company has a spokesperson and an acting spokesperson that handle shareholders' suggestions, inquiries and disputes, convenes shareholders' meetings in accordance with the Company Act and related regulations, and formulates complete Rules of Procedure for Shareholders Meetings to provide shareholders with appropriate rights.	No significant difference.
(II) Did the Company maintain a list of major shareholders with actual controlling power as well as a list of major shareholders exercising ultimate control over those major shareholders?	V		(II) The Company obtains information on actual changes in the shareholdings of major shareholders through professional stock service agencies and reports their shareholdings according to the laws.	No significant difference.
(III) Did the Company establish and enforce risk control and firewall systems with its affiliated companies?	V		(III) The Company and its affiliates operate independently of each other, and has formulated the "Operation Procedure for Control in the Supervision and Management of Subsidiaries", "Regulations Governing the Acquisition and Disposal of Assets", " Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" and other regulations to be enforced accordingly.	No significant difference.



Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
(IV) Did the Company stipulate internal rules that prohibit internal staff from trading marketable securities by utilizing information not disclosed to the market?	V		(IV) The Company has stipulated Procedures for Handling Material Inside Information to prevent insider transactions and educate insiders on matters that should be paid attention to at least twice a year to prevent inappropriate behavior.  In the annual course of Prohibition Against Insider Trading, the Company reminds the Director that a director is prohibited from trading the Company's shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.	No significant difference
III. Composition and responsibilities of the Board of Directors ( I ) Does the Board of Directors formulate diversified policies, specific management objectives and implement them?	V		( I ) The Company has formulated the Procedures for Election of Directors in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The composition of the Board of Directors should consider diversification. In addition, appropriate board diversity policies should be formulated and implemented in accordance with its operation, type of business and development needs.  The Company has 8 directors (including 3 independent directors) according to the scale of operation and development needs. The background of the board members covers different nationalities, cultures, industries, academics, finance, accounting, management and other fields, which fulfills the board diversity policy.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
(II) Does the Company voluntarily establish other functional committees in addition to the remuneration committee and the audit committee?	V		<p>The specific management goal for Board diversity:</p> <ol style="list-style-type: none"> <li>1. The Company focuses on gender equality in the composition of the Board of Directors, and at least one female Director should be included.</li> <li>2. Among the members of the Board, Directors who are also concurrently the managers of the Company shall take up less than 1/3 of the seats of Directors (inclusive) for supervision purposes.</li> </ol> <p>For the Company's board diversity policy, please refer to The implementation of the Company's board diversity policy on page7 of this annual report (Note 6).</p> <p>The number of directors of the Company equipped with an employee identity accounts for 25% of all directors, and the number of independent directors' accounts for 38% of all directors, 2 independent director has a term of office under 9 years, 1 independent director has a term of office above 9 years. 4 director is above 70 years old, and 2 directors are between 51~60 years old, with 2 directors under the age of 50 years old.</p> <p>(II) The company currently has not established any other functional committees except for the establishment of a remuneration committee and an audit committee according to the laws. However, the Company has a complete processing method and control mechanism for each business function. The persons in charge of each unit are responsible for the control and management of each function.</p>	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
(III) Did the Company formulate performance evaluation procedures for the Board of Directors and its evaluation method, conduct annual and regular performance evaluations, and report the results of the performance evaluation to the Board of Directors, which is provided for reference for the remuneration, nomination and re-election of individual directors?	V		(III) In order to implement corporate governance and enhance the functions of the Board of Directors to establish performance targets and strengthen the effectiveness of the Board of Directors, the Company has formulated the Procedures for Performance Evaluation of the Board of Directors on November 10, 2020 and conducts performance evaluation at the beginning of each year. In 2024, the evaluation result is above standard, which has been reported to the Board of Directors on March 13, 2025. The result will be taken into consideration in the remuneration and election of individual directors. The scope of the evaluation includes the performance evaluation of the overall Board of Directors, functional committees; the evaluation method includes the internal self-evaluation of the Board of Directors, director self-evaluation, or other appropriate methods.	No significant difference.
(IV) Did the Company regularly evaluate the independence of CPAs?	V		(IV) The company regularly inspects the independence of certified CPAs every year. When the accounting department evaluates the independence and suitability of CPAs, in addition to obtaining the certified CPAs to provide "CPAs' s Detached Independence Statement" and "Audit Quality Indicators (AQIs)", and according to the assessment The project (please refer to Note 5 on page 39~39) evaluates independence, and the 13 AQI indicators evaluate suitability from various aspects such as professionalism, quality control, independence, supervision and innovation ability. The evaluation results of the most recent year are all in line with the independence and eligibility of the company. After being discussed and approved by the Audit Committee on March 13, 2025, it will be submitted to the board of directors for approval on March 13, 2025.	No significant difference

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
IV. Did the TWSE/TPEX listed company has qualified and an appropriate number of corporate governance personnel, and appointed corporate governance directors responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information for operation, assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		<p>The Board of Directors has appointed the Chief Financial Officer Ho, San-Chuang as the Chief Corporate Governance officer on November 09,2022.</p> <p>The corporate governance unit is responsible for handling matters relating to Board meetings and shareholders' meetings according to laws; producing minutes of Board meetings and shareholders' meetings; assisting in on boarding and continuous education of directors; furnishing information required for business execution by directors; and assisting directors with regulatory compliance.</p> <p>Major work in 2024 was as below:</p> <p>(I) Acting as the secretary of the Board and the major contact between the Directors and the Company.</p> <p>(II) Assisting Directors to performing their duties and provide meeting materials information as they deem necessary as well as to help the communications between Directors and internal officers.</p> <p>(III) Propagate the law and regulation of corporate governance to the Board.</p> <p>(IV) Providing continuing educations information to Directors and arranging training courses for them.</p> <p>(V) Assisting the arrangement the communication affairs between Audit Committee members, external CPAs and chief of internal auditor.</p> <p>(VI) Setting up the Board meetings agenda, call the meetings and providing meetings materials. Reminder the director for rescue in advance if there is any conflict interests matter. Providing meeting minutes within 20 days after the Board meeting.</p> <p>(VII) Assisting shareholders' meeting affairs. The Company's Finance and Accounting Department handles corporate governance-related matters part- time and cooperates with</p>	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
			relevant units to ensure that shareholders and stakeholders fully understand the Company's corporate governance.	
V. Did the Company establish a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Did the Company set up a stakeholders' area on the Company's website? Are matters related to significant Corporate Social Responsibility that the stakeholders are concerned with addressed appropriately?	V		A stakeholder area is set up on the Company's website to disclose the contact information of the spokesperson and acting spokesperson, so as to facilitate the communication of stakeholders on the issues they are concerned about. Personnel in charge of each unit are designated to handle employee suggestions and feedback. Labor-management meetings are held quarterly to encourage communication between employees and the management, reflect employees' opinions appropriately, improve labor-management communication channels, and protect labor rights. The Company has a 0800 customer service hotline, the Company's official website and e-mail dedicated to handling appropriately the issues that our customers are concerned about, such as information on marketing activity and customer rights, to maintain customer relations and protect consumer rights. Special areas for corporate governance, Board meeting, and shareholders meeting are established on the Company's website, adhering to the principle of honesty and transparency, so that shareholders and stakeholders can fully understand the Company's financial and business condition and corporate governance.	No significant difference.
VI. Did the Company appoint a professional shareholder services agent to handle matters related to shareholders meetings?	V		The Company assists in handling matters related to shareholders meetings through professional stock service agencies to ensure shareholders meetings are convened in a legal, effective and safe manner.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
VII. Information disclosure				
(I) Did the Company establish a website to disclose information on financial operations and corporate governance?	V		(I) The Company has set up an investor-specific web page on its website, which regularly updates relevant corporate governance information and discloses information related to the Company's financial business. The website is at <a href="https://www.topshine.tw">https://www.topshine.tw</a> .	No significant difference.
(II) Did the Company adopt other ways of information disclosure (e.g. setting up an English website, appointing designated people to handle information collection and disclosure, establishing a spokesman system, and webcasting investor conferences on the Company's website)?	V		(II) The Company has arranged personnel designated to collect relevant information and disclose major issues immediately in order to implement the spokesman system, and has uploaded the presentation of the judicial person on the Company's website and Market Observatory Post System for Inquiry.	
(III) Did the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	V		(III) The Company's financial report and the announcement of the operating status each month shall be handled in accordance with Article 36 of the Securities and Exchange Act and reported to the competent authority.	
VIII. Has the Company provided important information to enable better understanding of the state of corporate governance (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, education of directors and supervisors, risk management policy and implementation risk evaluation standards, implementation of customer policies, and the Company's purchase of liability insurance for its directors and supervisors)?	V		(I) The Company attaches great importance to employee relations. In addition to establishing an employee welfare committee and providing marriage and funeral subsidies, the Company also organizes new year tours and group buys for its employees. To ensure employees' rights, labor management rules are stipulated in accordance with the Labor Standards Act to provide employees with rules to be followed. In addition, the Company has established an employee reward and punishment management rules and various welfare systems, so that employees behavior and workplace ethics codes can be followed to ensure legitimate rights and interests. Employees are encouraged to communicate with the management, reflect employees' opinions appropriately, improve labor-management communication channels, and protect labor rights.	No significant difference

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
			<p>(II) The directors and managers of the Company design relevant training courses related to professional knowledge and practical operation in accordance with the regulations for the continuous education of the directors refer to page37~38 (see Note 2 and Note 3).</p> <p>(III) To safeguard shareholder equity, achieve sustainable development, implement corporate governance, and establish a robust risk management mechanism that ensures the effective attainment of business strategies and objectives, the Company has adopted the "Risk Management Policies and Procedures", as approved by the Board of Directors on August 12, 2024. In 2023, the Company collected 277 valid questionnaires, which were utilized to create materiality matrices, ultimately identifying seven material issues, namely product quality and marketing, customer relationship management, talent development, human rights protection, occupational safety and health, green products and circular economy, and climate change responses. In response to these issues, the Company has further developed corresponding risk management policies and strategies, which were reported to the Board of Directors on November 11, 2024, detailing the execution of risk management for the year.</p> <p>(IV) Implementation of consumer or customer protection policy: The Company has a 0800 customer service hotline, the Company's official website and e-mail dedicated to handling appropriately customer issues, maintaining customer relations and protect consumer rights.</p> <p>(V) The Company's purchase of liability insurance for directors: The directors and supervisors of the Company uphold the principle of ethical corporate management, fully understand the responsibilities of the directors, plan and</p>	No significant difference.

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	
			evaluate, and regularly purchase insurance related to directors responsibilities according to the needs refer to page 38 (see Note 4 ).	

IX. Please provide information on the status of improvement regarding the results of Corporate Governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements that are yet to be implemented, please specify the matters and measures to be prioritized for improvement.

(I) Improvement Status

In December 2023, the Company established the "Sustainable Development Task Force", which is responsible for advancing operations related to sustainable development. On August 12, 2024, the Board of Directors approved and formulated the following regulations: the "Sustainable Development Best Practice Principles", the "Code of Ethical Conduct for Directors and Managers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Risk Management Policies and Procedures". On November 11, 2024, the Board of Directors was presented with the status of implementation of sustainable development, focuses on stakeholder communication, status of implementation of risk management, and implementation of ethical corporate management for the current year.

(II) Prioritized improvement matters and measures

The Company annually reviews the results of the corporate governance evaluation and the corporate governance evaluation criteria issued in the most recent year, reviews the individual criteria that are in compliance with the evaluation standards and arranges improvement schedules to improve aspects that failed to meet the standards.



Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	

Note 1: Operating conditions should be stated in the Summary Description field.

Note 2: The details of the education of directors are as follows:

Title	Name	Study period		Organizer	Course title	Hrs
		From	To			
Representative of Juridical person director	Lim, Pok-Chin	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
Director	Lim, Jie-Ren	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
Director	Lim, Jie-Min	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
Director	Neo, Khay-Pin	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
Director	Wang,I-Yao	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
Independent Director	Wang, Chia-Cheng	2024/07/03	2024/07/03	Taiwan Stock Exchange (TWSE)	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
Independent Director	Hung,Da-Feng	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
Independent Director	Lin, Hui-Ping	2024/06/21	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0

Evaluation items	Implementation Status (Note 1)			Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
	Yes	No	Summary	

Note 3 : The situation of managers ' participation in the study and training related to corporate governance:

Position	Name	Duration	Training unit	Course	Hrs
CFO	Ho, San-Chuang	2024/06/21	Taiwan Corporate Governance Association	Corporate Fraud Risks and Challenges Implementing ESG Sustainable Operations through Zhong Dao Leadership	6.0
		2024/11/13	Securities and Futures Institute	Practical Operation of the Audit Committee Challenges and Opportunities in the Path to Sustainable Development and Introduction to Greenhouse Gas Inventory	6.0
		2024/12/05 2024/12/06	Accounting Research and Development Foundation	Continuing training class for principal accounting officers of issuers, securities firms, and securities exchanges	12.0
Chief Auditor	Huang, hu-Ling	2024/09/23	The Institute of Internal Auditors - Chinese Taiwan	Analysis of Sustainable Information Disclosure Policy and Key Points of Internal Control and Audit	6.0
		2024/12/06	The Institute of Internal Auditors - Chinese Taiwan	New Challenges for Internal Auditors: Analysis of Sustainable Information Disclosure and Management Policies and Related Audit Points	6.0

Notes 1: Qualification of Related personnel:

International internal audit (CIA) : Auditor Office 1 person

Note4 : Liability Insurance for Director and key personnel :

Director Liability Insurance			
Insured	Insurance Company	Coverage	Duration
All Directors and key personnel	CHUBB Taiwan	USD 2,000,000	From : Mar.1, 2025 To : Mar.1, 2026

Note 5: 2025 Accountant Independence and Suitability Evaluation Form

Name of CPA: CPA, Lee, Li-Huang	CPA Firm: Deloitte & Touche
Main educational background: A graduate from Department of Accounting, National Taipei University, he/she has been working in the fields of auditing, financial management and information management at Deloitte Taiwan since 1996. He/She has more than 25 years of experience and has obtained the Accreditation of Business Valuation in 2006. He/She has been provide guidance to domestic and foreign customers regarding the listing of shares and establishment of accounting internal control system.	
Name of CPA: CPA, Chen, Chung-Chen	CPA Firm: Deloitte Taiwan
Joining the firm in 1998 and starting his career at the grassroots level. In 2015, he was promoted to become a CPA and has been serving in the accounting field for over 20 years. The major clients' industries served include traditional manufacturing, biotechnology, high-tech industries, and property insurance.	

Evaluation items		Implementation Status (Note 1)		Differences in the Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies, and the reasons for the said shortcomings
		Yes	No	
Item No.	Evaluation Items			
1	As of the most recent assurance operation, no CPA has been replaced for seven years.	V		
2	The CPA does not have significant financial relationship with his/her client.	V		
3	The CPA avoids any inappropriate relationship with his/her client.	V		
4	The CPA ensures that his/her assistants are honest, fair and independent.	V		
5	The CPA has not performed audit and assurance services on financial statements of companies he/she has served within two years before practicing.	V		
6	The CPA has not permitted others to practice under his/her name.	V		
7	The CPA has not owned any shares of the Company and its affiliated companies.	V		
8	The CPA does not loan any money from the Company and its affiliated companies.	V		
9	The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.	V		
10	The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary.	V		
11	The CPA is not involved in the management function of the decision-making of the Company and its affiliated companies.	V		
12	The CPA has not concurrently engaged in other businesses that may lead to loss of independence.	V		
13	None of the Company's management is a spouse of a relative within second degree of kinship with the CPA.	V		
14	The CPA has not received any commission related to his/her service.	V		
15	The CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence so far.	V		
Evaluation results: Fulfilled the Company's independence and suitability evaluation standards.				

( V ) If the Company has Set Up a Remuneration Committee, It Shall Disclose Its Composition, Responsibilities and Operations

(1) Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title ( Note 1 )	Criteria	Professional qualifications and experience (Note 2)	Nature of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
	Name				
Independent Director	Wang, Chia- Cheng	<p>Wang, Chia-Cheng graduated from the Department of Accounting in Fu Jen Catholic University. He previously worked in Prolific Technology Inc. as the head of Accounting Department, the head of the Accounting Department in SCAN-D Corporation, and the Independent Director of Simula Technology Inc. Wang, Chia-Cheng is concurrently the senior manager of Finance and Accounting Department in Samebest Co., Ltd.</p> <p>Director Wang, Chia-Cheng is equipped with capabilities in corporate governance, professional finance and accounting skills and investment management. The Company relies on its management experience and perspectives in different industries to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.</p>	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0	

Title (Note 1)	Criteria  Name	Professional qualifications and experience (Note 2)	Nature of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
Independent Director (convener)	Hung, Da-Feng	<p>A graduate of the National Taiwan University of Arts, Hung, Da-Feng was the division chief of the Business Division in the head office of the First Commercial Bank, manager of the Taishan Branch of the First Commercial Bank, the manager of Tucheng Branch of the First Commercial Bank. Hung, Da-Feng is concurrently the executive assistant to the Chairman of Tai Shan Gas Co., Ltd.</p> <p>Director Hung, Da-Feng has a very complete record in the financial industry, and is equipped with professional abilities in the area of finance. Hung, Da-Feng is also familiar with the direction of various industries and can provide different opinions in relation to operational management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.</p>	<p>At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.</p>	0	convener

Title (Note 1)	Criteria	Professional qualifications and experience (Note 2)	Nature of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
	Name				
Independent Director	Lin, Hui-Ping	<p>Lin, Hui-Ping has a Master of Business Administration in Finance from Baruch College in New York City, and was previously the Deputy General Manager of the Underwriting Department in the Grand Cathay Securities Corporation, the executive assistant to the Chairman of M.J.International Flooring and Interior Products Inc. Lin, Hui-Ping is concurrently a Director of Pili International Multimedia Co.,Ltd., a senior advisor to Stylution International Corp.</p> <p>Director Lin, Hui-Ping is familiar with the operation of capital market, and is equipped with capabilities in corporate governance, finance and accounting, as well as investment management, so as to enhance the quality in corporate governance of the Board of Directors and the monitoring function of the Audit Committee.</p>	At the time of the nomination and selection of the members of the Board of Directors, the Company has already obtained written statements, employment history, proof of current employment, and the relative relationship form provided by each Independent Director for verification, and has confirmed that he or she, his or her spouse, and his or her three relatives and other relatives are qualified as independent; and verified that the Independent Director have met the qualifications set forth in the "Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office, and the Independent Director have been fully delegated the rights under Article 14-3 of the Securities and Exchange Act to participate in making decisions and expressing opinions in order to perform their duties independently.	0	

Note 1 : Please state in the table the job tenure, professional qualifications, and independence status of each member of the Compensation Committee. If the member is an Independent Director. Please enter your status as an Independent Director or other (if you are the convener, please remark).

Note 2 : Professional qualifications and experience: Please specify the professional qualifications and experience of each member in the Compensation Committee.

Note 3 : Independence status: Compensation Committee members shall state the conditions that qualify them as independent, including but not limited to whether the person, his/her spouse, relatives within the second degree of kinship are appointed as directors, supervisors or employees of the Company or its affiliates; the number and ratio of the shares of Company held by the person, his/her spouse and relatives within the second degree of kinship or under the name of another person; whether the person is a Director, Supervisor or employee of a company that has a specific relationship with the Company (with reference to Subparagraphs 5 to 8, Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the remuneration received for commercial, legal, financial and accounting services rendered to the Company or its affiliates in the past two years.

## (2) Attendance of Members at Remuneration Committee Meetings

I 、 There are 3 members in the Remuneration Committee

II 、 : from Jun.19, 2023 to Jun.18, 2026

3 meetings was hold in the recent year(A ) and the attendency are as follows :

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Hung, Da-Fen	3	0	100%	Extended, rel-elected on 2023/06/19
Member	Wang, Chia-Cheng	3	0	100%	Extended, rel-elected on 2023/06/19
	Lin, Hui-Ping	3	0	100%	Extended, rel-elected on 2023/06/19
<p>Other mentionable items:</p> <p>I 、 If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.</p> <p>II 、 Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.</p> <p>III 、 The Remuneration Committee shall exercise the care of an administrator with good faith, faithfully fulfill the following responsibilities, and submit its recommendations to the Board of Directors for discussion.</p> <p>(I) Establish and regularly review the performance evaluation standards and performance targets of the Company's directors and managers, as well as the remuneration policies, systems, standards, and structure.</p> <p>(II) Periodically evaluate the fulfillment of performance goals of the Company's directors and managers, determine the content and amount of remuneration based on the results of the reviews conducted in accordance with the performance evaluation standards.</p> <p>The Committee shall perform its functions referred to in the preceding paragraph in the following manners:</p> <ol style="list-style-type: none"> <li>1. Ensure that the remuneration arrangements of the Company comply with applicable laws and regulations and are sufficient to attract outstanding talent.</li> <li>2. Performance evaluation and remuneration of the directors and managers shall be based on the industry standards as well as their individual performance, the Company's operational performance, and reasonable assessments of future risks.</li> <li>3. There shall be no incentive for the directors or managers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.</li> <li>4. For directors and senior managers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be determined with regard to the characteristics of the industry and the nature of the Company's business.</li> <li>5. Reasonableness shall be taken into account when determining the contents and amounts of the remuneration of the directors and managers. Decisions made on the remuneration of the directors and managers shall not be significantly contrary to the financial performance.</li> <li>6. Committee members may not participate in discussion and voting when the Committee is determining their remuneration.</li> </ol>					

Note1 :

- (1) If any of the remuneration committee member resign before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of remuneration committee meetings held and the actual attendance during their employment.
- (2) Before the end of the year, if there is a re-election of the remuneration committee, the new and old committee members are to be listed and remark in the remarks column to indicate the member as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the number of remuneration committee meetings held and the actual attendance during their employment.

(3) Significant resolutions:

List of important meetings of the Remuneration Committee

January 1, 2023 to April 30, 2024

Date	Session	Content	Resolution	The Company's response to the remuneration committee's opinion
March 13, 2024	3th meeting of the 5rd session Remuneration Committee	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2023 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors.</li> <li>2 、 Approved and reviewed the 2023 year-end bonus payment for the Company's managers.</li> <li>3 、 Passed the proposal to 2023 year-end bonus distribution for the subsidiaries Director.</li> </ul>	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors
May 09, 2024	4th meeting of the 5rd session Remuneration Committee	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2023 Remuneration Payment for Directors and Supervisors and Remuneration Payment for Managers and Employees.</li> </ul>	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors
November 11, 2024	5th meeting of the 5rd session Remuneration Committee	<ul style="list-style-type: none"> <li>1 、 Approved and reviewed the 2024 year-end bonus payment for the Company's managers.</li> <li>2 、 Passed the proposal to 2024 year-end bonus distribution for the subsidiaries Director.</li> </ul>	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors
March 13, 2025	6th meeting of the 5rd session Remuneration Committee	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2024 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors.</li> <li>2 、 Approved and reviewed the 2024 year-end bonus payment for the Company's managers.</li> <li>3 、 Passed the proposal to 2024 year-end bonus distribution for the subsidiaries Director.</li> <li>4 、 Approval of the definitions and scope of grassroots employees in the Company.</li> <li>5 、 Approval of the salary adjustment plan for the Chairman and managers for 2025.</li> </ul>	Adopted with the approval of all members of the committee	Proposed by the Board of Directors and adopted with the approval of all attended directors



(VI) The implementation status on the promotion of sustainable development and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviation

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company establish and promote a governance structure for sustainable development, and set up a dedicated (concurrent) unit to promote sustainable development, and have the Board of Directors authorize senior management for handling and how is the Board of Director's supervision?	V		<p>I. Description of the Company's governance structure for sustainable development: The Company established a "Sustainable Development Task Force" in December 2023 responsible for implementing sustainability-related initiatives. The Task Force is led by the Company's General Manager who serves as the Chief Convener, with department heads serving as leaders of the respective working groups. The Task Force is organized into three major working groups based on sustainability topics: Environmental (E), Social (S), and Governance (G). The Task Force reports to the Board of Directors at least once annually regarding implementation status to ensure appropriate monitoring of sustainability progress and performance.</p> <p>II. Description of the organizational implementation status, including but not limited to:</p> <p>(I) Name of the specialized (or concurrent) unit for promoting sustainable development, establishment date, and Board authorization. The Company established the Sustainable Development Task Force in December 2023, which was formally authorized by the Board of Directors to be responsible for planning, implementing, and monitoring the Company's sustainable development policies. The establishment of this Task Force aims to integrate company resources, advance sustainability-related initiatives, and ensure all actions align with the Company's strategic direction.</p> <p>(II) Composition, operation, and current year implementation status of the Task Force (e.g., work plans and responsibilities). The Company's "Sustainable Development Task Force" is led by the General Manager as Chief Convener, with the Corporate Governance Officer serving as Deputy Convener and the Administration Department Manager as Executive Secretary.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Department heads serve as team leaders responsible for promoting sustainability-related initiatives. On November 11, 2024, the Task Force reported to the Board of Directors regarding implementation status for 2024, including the establishment of governance policies such as "Sustainable Development Practice Principles," "Risk Management Policy," and "Information Security Policy." On the social front, the Company established a "Human Rights Policy" and "Employee Grievance Procedures," and participated in tree-planting, charitable donations, public welfare flower arrangements, and blood donation activities. Regarding environmental aspects, the Company completed the 2023 greenhouse gas inventory, replaced outdated equipment, and promoted waste sorting. Additionally, in August 2024, the Company completed its 2023 Sustainability Report, disclosing the Company's achievements in sustainable development.</p> <p>(III) Frequency of the Task Force's reporting to the Board of Directors (at least once a year) or the date of reporting to the Board in the current year.</p> <p>The Company's "Sustainable Development Task Force" reports to the Board of Directors on sustainability implementation progress and achievements at least once annually. The Task Force presented the 2024 sustainable development implementation status report to the Board of Directors on November 11, 2024.</p> <p>III. Description of the Board of Directors' oversight of sustainable development, including but not limited to: management approach, strategy and goal setting, review measures, etc.</p> <p>The Company's Board of Directors provides comprehensive oversight of sustainable development through the "Sustainable Development Task Force," which is responsible for formulating and implementing sustainability management approaches, strategies, and objectives. The Board regularly reviews implementation effectiveness to ensure that policies such as the "Sustainable Development Practice Principles" and "Risk Management Policy" are effectively implemented, and</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			evaluates ongoing improvement measures and their effectiveness. The Board of Directors holds regular meetings to review and assess the progress of sustainable development initiatives. The "Sustainable Development Task Force" presented its 2024 sustainable development implementation status report to the Board of Directors on November 11, 2024.	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations based on the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)		V	<p>I. Description of the risk assessment boundary (scope of subsidiaries covered). The boundary of this risk assessment should be consistent with the boundaries for environmental and social issues in subsequent sections of this appendix. If there are differences, the boundary should be specified for each relevant issue.</p> <p>The Company has formed the Sustainable Development Promotion Team, tasked with promoting sustainable development-related initiatives and providing annual reports on their implementation to the Board of Directors, moreover, a risk assessment has been conducted in compliance with the materiality principle, concerning environmental, social, and corporate governance issues associated with the Company's operations.</p> <p>The Company conducts risk assessments on environmental, social, and corporate governance issues in accordance with the principle of materiality. The assessment scope primarily covers the Taiwan parent company and excludes the Singapore subsidiary and other regions, as these subsidiaries have relatively minor impacts on overall economic, environmental, and social aspects. If information pertaining to other regions is involved, it will be specifically noted in the report. The boundary of this risk assessment is consistent with the boundaries for environmental and social issues in subsequent sections, with all management and disclosures based on the Taiwan parent company.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>II. Description of the standards, process, results of risk assessment, and risk management policies or strategies for identifying material issues related to environmental, social, and corporate governance.</p> <p>The Company has established comprehensive risk assessment standards based on the GRI Standards and domestic and international industry trends. Through internal discussions, external expert assistance, questionnaire surveys, and departmental interviews, the Company evaluates the impact level and stakeholder concern regarding environmental, social, and corporate governance (ESG) issues. In 2023, the Company collected 277 valid questionnaires and developed a material topic matrix, ultimately identifying seven major material issues, including product quality and marketing, customer relationship management, talent development, human rights protection, occupational safety and health, green products and circular economy, and climate change response. The Company has established the following risk management policies and strategies for these issues.</p>	No significant difference.
<p>III. Environmental issues</p> <p>(I) Does the Company establish appropriate environmental management systems based on the characteristics of the industry?</p>	V		<p>(I) Describe an effective environmental management system is implemented and the regulations upon which it is based.</p> <p>The Company has established a comprehensive environmental management system based on the characteristics of the furniture industry to ensure active implementation of sustainable development throughout its operations. Through the Sustainable Development Task Force, the Company has formulated specific management strategies for issues such as climate change, energy management, water resource utilization, and waste treatment. To reduce carbon emissions, the Company conducts greenhouse gas inventories, implements energy-saving conservation measures. Simultaneously, the Company follows regulations for waste classification and disposal, increasing recycling rates and reducing environmental impact. Through these management mechanisms, the Company demonstrates its commitment to</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(II) Does the Company endeavor to utilize all energies more efficiently and use renewable materials that have low impact on the environment?	V		<p>environmental sustainability and continuously optimizes its environmental management strategies to ensure corporate development while balancing ecological protection and social responsibility.</p> <p>(II) Describe the policies of the Company to enhance energy usage efficiency and the utilization of recycled materials including, but not limited to: base year data, promotional measures, objectives, and achievement status.</p> <p>The Company is committed to improving energy efficiency and using renewable materials with low environmental impact through a series of energy management policies and measures to achieve sustainable development goals. Regarding energy use, the Company's primary sources of greenhouse gas emissions come from electricity, gasoline, and diesel. The Company actively promotes energy conservation and carbon reduction, optimizes management systems, gradually replaces traditional equipment with energy-efficient products, and ensures energy use efficiency through regular monitoring and inventory.</p> <p>In terms of water stewardship, the Company reduces water waste by regularly inspecting equipment, securing infrequently used faucets, and monitoring water usage. The Company also actively promotes water conservation concepts to raise environmental awareness among all employees.</p> <p>For waste management, the Company strictly follows regulations for proper waste classification and disposal while continuously promoting reduction and recycling measures. Moving forward, the Company will prioritize the use of renewable and environmentally friendly materials to reduce operational environmental impact and strengthen employee environmental awareness to fulfill its commitment to corporate sustainability.</p>	No significant difference

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Has the Company assessed the current and future potential risks and opportunities arising from climate changes taken countermeasures related to the climate changes?	V		<p>(III) Please describe how the company assesses the potential current and future risks and opportunities of climate change to the business, the results of such assessments, and the corresponding response measures taken.</p> <p>The Company has indeed assessed the potential risks and opportunities that climate change may bring to the enterprise now and in the future, and has implemented relevant response measures. Through the Sustainable Development Task Force, the Company identifies climate risks and opportunities with reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework. The Company conducts risk classification based on policy regulations, market changes, and production and manufacturing aspects to evaluate potential impacts. To address the potential financial impacts of climate change, the Company conducts identification and management of climate risks and opportunities at least once annually, and develops corresponding strategies based on probability of occurrence and degree of impact to control risks within tolerable ranges. Furthermore, the Company has established a greenhouse gas inventory mechanism and evaluates the feasibility of renewable energy utilization through energy conservation and carbon reduction strategies to reduce the impact of climate change on business operations. Through these measures, the Company ensures the maintenance of a stable business model in the face of climate change challenges while aligning with future market and regulatory development trends.</p>	No significant difference

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																						
	Yes	No	Summary																							
(IV) Has the Company calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established policies with regard to energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, and waste management?	V		<p>(IV)1. Provide a comprehensive overview of the statistical data, density (e.g., calculated per unit of product, service, or revenue), as well as the extent of data coverage (e.g., encompassing all manufacturing sites and subsidiaries) in the last two years:</p> <p>(1) Amount of GHG emissions: Amount of GHG emissions in the last two years</p> <table border="1"> <thead> <tr> <th rowspan="2"></th><th colspan="2">2023</th><th colspan="2">2024</th></tr> <tr> <th>Emissions (metric tons of CO2e)</th><th>Density (metric tons of CO2e per million NTD in revenue)</th><th>Emissions (metric tons of CO2e)</th><th>Density (metric tons of CO2e per million NTD in revenue)</th></tr> </thead> <tbody> <tr> <td>Scope 1 Direct GHG emissions</td><td>135. 126</td><td rowspan="2"></td><td>164. 859</td><td rowspan="2"></td></tr> <tr> <td>Scope 2 Indirect GHG emissions</td><td>1, 436. 900</td><td>1, 584. 722</td></tr> <tr> <td>Subtotal</td><td>1, 572. 026</td><td>1. 0302</td><td>1, 749. 581</td><td>1. 1366</td></tr> </tbody> </table> <p>Scope of data: In 2023, the data encompasses only the headquarters, warehouses, and street-side stores. In 2024, the scope has expanded to include all business locations owned by the parent company. Consequently, the total amount of emissions in 2024 has increased by 11.29% compared to that of 2023. In 2024, the total greenhouse gas emissions for Scope 1 and Scope 2 of the Company amounted to 1,749.581 metric tons of CO2e. The majority of these emissions, accounting for 90.58%, originated from Scope 2 electricity emissions, followed by Scope 1 direct emissions, which constituted 9.42%.</p>		2023		2024		Emissions (metric tons of CO2e)	Density (metric tons of CO2e per million NTD in revenue)	Emissions (metric tons of CO2e)	Density (metric tons of CO2e per million NTD in revenue)	Scope 1 Direct GHG emissions	135. 126		164. 859		Scope 2 Indirect GHG emissions	1, 436. 900	1, 584. 722	Subtotal	1, 572. 026	1. 0302	1, 749. 581	1. 1366	No significant difference.
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			<p>(2) Water consumption</p> <p>Water consumption in the last two years:</p> <table><tr><th>Year</th><th>Water consumption (metric tons)</th><th>Water consumption density (metric tons per million revenue units)</th></tr><tr><td>2023</td><td>5, 836</td><td>3. 825</td></tr><tr><td>2024</td><td>4, 891</td><td>3. 177</td></tr></table> <p>Scope of data: Headquarters, warehouses, and retail stores in Taiwan.</p> <p>Source of water: The water is primarily sourced from the Taiwan Water Corporation and the Taipei Water Department for general domestic purposes and does not include water used in industrial processes.</p> <p>(3)Total weight of waste</p> <p>Amount of waste generated in the last two years:</p> <table><tr><th>Year</th><th>Hazardous waste generation (metric tons)</th><th>Non-hazardous waste generation (metric tons)</th><th>Total weight (metric tons)</th><th>Waste density (metric tons per million NTD in revenue)</th></tr><tr><td>2023</td><td>0. 0</td><td>69. 1</td><td>69. 1</td><td>0. 045</td></tr><tr><td>2024</td><td>0. 0</td><td>41. 6</td><td>41. 6</td><td>0. 027</td></tr></table> <p>Scope of data: There has been no hazardous waste generated at the headquarters, warehouses and operating retail stores.</p> <p>Handling method: All industrial waste is entrusted to qualified waste disposal operators for treatment, incineration, or recycling and reuse.</p> <p>2. Describe the policies aimed at reducing greenhouse gas emissions, decreasing water consumption, and managing other forms of waste, including but not limited to: base year data, reduction targets, implementation measures, and achievement status.</p>	Year	Water consumption (metric tons)	Water consumption density (metric tons per million revenue units)	2023	5, 836	3. 825	2024	4, 891	3. 177	Year	Hazardous waste generation (metric tons)	Non-hazardous waste generation (metric tons)	Total weight (metric tons)	Waste density (metric tons per million NTD in revenue)	2023	0. 0	69. 1	69. 1	0. 045	2024	0. 0	41. 6	41. 6	0. 027	No significant difference.
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	Yes	No	Summary	
			<p>(1) Greenhouse gas management policy and achievement status</p> <p>The Company is committed to reducing greenhouse gas emissions and enhancing energy efficiency through various energy-saving measures. The primary strategies include regularly reviewing electricity consumption to ensure optimal energy efficiency, as well as replacing high energy-consuming equipment, such as traditional lighting and air conditioning systems, with LED lights and inverter air conditioners. In 2024, the Company completed the equipment replacement in 10 retail stores. Additionally, management guidelines for air conditioning temperature and for air conditioning operating hours have been established, and employee training is conducted to ensure the effective implementation of energy-saving measures.</p> <p>Following the execution of the aforementioned measures, the scope of the investigation was expanded in 2024, resulting in a total carbon emission increase of 11.29% compared to that in 2023. This indicates that the coverage of past data was insufficient. In the future, the Company will achieve reduction targets through more precise management. In 2024, the air conditioning equipment in 10 retail stores has been replaced, which is expected to effectively reduce electricity consumption and carbon emissions.</p> <p>(2) Water consumption management policy and achievement status</p> <p>To enhance the efficiency of water resource utilization, the Company is actively promoting the upgrade of water-saving equipment, such as the installation of water-efficient faucets, and regularly inspecting water pipelines to ensure there are no leaks. In addition, the Company monitors water usage at various locations on a monthly basis, addressing any anomalies in a timely manner to reduce unnecessary waste of water resources. Through effective management, the total water consumption for 2024 has been reduced to 4,891 metric tons, representing a decrease of 16.20% compared to that of 2023.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Simultaneously, the water consumption density has been reduced to 3.177 metric tons per million NTD in revenue, indicating a significant improvement in water efficiency. In the future, we will continue to strengthen water conservation management.</p> <p>(3) Waste management policy and achievement status</p> <p>To reduce waste generation, the Company has established a resource recycling mechanism that encourages both employees and customers to recycle reusable materials, such as cardboard and plastics. In addition, through internal training and advocacy, the Company aims to enhance employees' awareness of waste classification and reduction, thereby promoting sustainable development of the Company.</p> <p>In 2024, total waste production decreased to 41.6 metric tons, representing a reduction of 39.80% compared to that of 2023. Waste density dropped to 0.027 metric tons per million NTD in revenue, indicating significant effectiveness in waste reduction. The Company will continue to optimize management practices to further minimize its environmental impact.</p> <p>3. Describe the verification status of various information (valid as of the date of the annual report's publication) and the scope it encompasses.</p> <p>Starting in 2023, the Company has been conducting greenhouse gas inventories in accordance with the ISO 14064-1 standard and plans to implement a phased approach to assurance operations. The parent company will begin assurance operations in 2028, while the subsidiaries included in the consolidated financial statements will implement the said operations in 2029. The Company will continue to strengthen its inventory mechanisms and ensure data accuracy and compliance through third-party verification, in order to promote low-carbon sustainable development.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
IV. Social Issues				
(I) Did the Company formulate management policies and procedures in accordance with relevant regulations and international human rights treaties?	V		(I) Describe the policies and concrete management plans for the protection of human rights, including human rights assessments, measures to mitigate human rights risks, and relevant educational training, as well as the applicable laws and international human rights conventions that underpin these policies. The Company complied with relevant labor laws and regulations, protects the legitimate rights and interests of employees and follows internationally recognized labor human rights protection responsibilities, and formulates relevant management policies and procedures; The Company also upholds the spirit and fundamental principles of human rights protection as outlined in various international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the Declaration on Fundamental Principles and Rights at Work and its Follow-up. This commitment fully demonstrates our responsibility to respect and safeguard human rights, and to prevent any actions that violate or infringe upon them.	No significant difference.
(II) Did the Company establish and implement reasonable employee benefits measures (including remuneration, leave, and other benefits) and reflected the business performance or results in employee remuneration appropriately?	V		(II) I. The description of employee benefits should include but not be limited to: employee remuneration, workplace diversity and equality (including but not limited to: proportion of female employees and senior executives), leave policies, various allowances, bonuses, and subsidies. The Company is committed to providing reasonable and competitive employee benefit measures while appropriately reflecting business performance in its employee remuneration system. The Company ensures that remuneration and benefits comply with legal standards, with salaries determined based on employees' professional capabilities, positions, and job responsibilities.	

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>The Company implements the principle of equal pay for equal work, without differences due to gender, age, or other factors. The Company conducts annual employee performance evaluations to determine salary adjustments and bonus distributions based on individual performance and the Company's operational status. Moreover, the Company provides diverse benefit measures, including marriage and funeral subsidies, holiday bonuses, employee continuing education subsidies, health examinations, and other benefits. Through annual performance evaluations and educational training, the Company enhances employees' career development opportunities, creating a stable and attractive workplace environment.</p> <p>II. Description of how business performance or results are reflected in the employee remuneration policy and its implementation.</p> <p>The Company connects business performance with employee remuneration through a clear remuneration policy to ensure that the salary system is fair and motivating. An independent Remuneration Committee is established to evaluate the remuneration of directors and senior managers, making salary adjustments based on the Company's operational performance, job responsibilities, and individual contributions. For general employees, the Company implements a system that combines fixed salaries with variable salaries, conducting regular performance evaluations annually. Salaries or bonuses are adjusted based on individual job performance and development potential. Furthermore, the Company offers various reward systems, such as business bonuses, performance bonuses, and annual outstanding employee rewards, to enhance employee motivation. To ensure competitive remuneration, the Company regularly reviews salary levels and makes appropriate adjustments based on market trends and business performance, ensuring that the remuneration policy effectively motivates</p>	No significant difference.

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	Yes	No	Summary	
(III) Has the Company provided employees with a safe and healthy work environment as well as conducted regular courses on health and safety for its employees?	V		<p>employees and maintains the Company's long-term stable development.</p> <p>(III)</p> <p>I. Description of measures for the safety and health of employees' working environment, education policy for employees, and its implementation.</p> <p>The Company values the safety and health of its employees and ensures a safe and compliant working environment through a comprehensive occupational safety and health management system. The Company conducts regular workplace environment monitoring annually to evaluate potential risks and carries out hazard identification and risk assessment for different work areas to reduce the likelihood of occupational accidents. In addition, the Company has established an emergency response mechanism to quickly take appropriate measures to protect employees' safety in the event of an accident.</p> <p>Regarding employee safety education, the Company enhances employees' safety awareness and emergency response capabilities through regular training and practical drills. The Company promotes basic safety knowledge training, workplace safety education for new employees, emergency response training, and equipment operation and safety management courses to ensure employees are familiar with safety standards and operating regulations. Furthermore, the Company holds annual disaster drills and occupational safety courses to enable employees to respond to emergencies and reduce workplace risks. Through these measures, the Company continuously strengthens employees' safety awareness, ensures a healthy and safe working environment, and enhances the overall effectiveness of workplace safety management.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>II. Description of the certifications obtained by the Company (as of the date of the annual report) and their coverage.</p> <p>The Company continues to use the Indonesian government's SVLK Timber Legality Assurance System for its solid wood furniture, ensuring that all wood sources comply with legal and sustainable management standards. In addition, the teak used by the Company comes from regenerated forests in Indonesia, strictly managed by the Indonesian government. These forests are SVLK certified and the teak products come with V-legal documents, ensuring the legality and sustainability of all products.</p> <p>The Company also emphasizes product safety by ensuring that suppliers meet environmental and quality standards and requiring suppliers to provide product safety assessments. For certain special products, the Company implements additional safety control measures to ensure compliance with safety and environmental standards. Through these certifications and standards, the Company ensures environmental compliance of its products and continues to strive towards sustainable business practices.</p> <p>III. Description of the number of occupational accidents, the number of affected employees, the ratio of affected employees to total employees, and related improvement measures for the current year.</p> <p>According to the Company's sustainability report, the 2023 occupational accident situation for the Company is as follows:  In 2024, there were two general occupational injury incidents in the Company, primarily caused by improper handling of goods and accidents during commutes, resulting in falls or scratches. No disabling injuries occurred. These incidents led to a total of 20 lost workdays, with a recordable occupational injury rate of 0.62%. In addition, there were no major occupational injuries or work-related fatalities during 2024.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>To reduce the occurrence of occupational accidents, the Company continuously identifies and assesses risks through its occupational safety management system and strengthens employee safety training, including hazard prevention, emergency response, and equipment operation guidance. The Company holds regular occupational safety meetings to review safety management practices and implement improvement plans based on potential workplace risks, such as updating safety equipment, enhancing protective measures, and improving workplace safety to ensure the health and safety of employees.</p> <p>IV. Description of the number of fire incidents, the number of casualties, the ratio of casualties to the total number of employees, and related improvement measures for the current year.</p> <p>In 2024, the Company experienced a fire incident in one of our retail stores, which was caused by an accident at a neighboring business. The incident resulted solely in property damage, with no casualties reported, and there have been no fire-related casualties in the past three years. Therefore, the ratio of fire casualties to the total number of employees is zero.</p> <p>To enhance fire prevention and response capabilities, the Company continues to implement fire safety management and has promoted several improvement measures. In 2024, the Company conducted general disaster prevention training and fire drills to enhance employees' understanding of fire response and operational capabilities. In addition, the Company regularly inspects and maintains fire safety equipment to ensure that fire extinguishers, alarm systems, and escape equipment remain in good working condition, further reducing potential risks. In the future, the Company will continue to strengthen employees' fire safety education and improve emergency response capabilities to ensure workplace safety.</p>	No significant difference.

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(IV) Has the Company established an effective career development and training program for its employees?	V		<p>(IV) For training programs, describe their aspects encompassed (e.g., new employee training, professional development, and training for managers), their applicable colleagues (e.g., for levels of supervisors and for rank and file employees), and their implementation status.</p> <p>The Company places great importance on the career development of its employees and has established comprehensive training programs to enhance employees' professional skills and functional development. Based on the functional requirements of each department, the Company provides diverse learning resources, including internal and external training courses, job rotation, and on-the-job training (OJT) to strengthen employees' professional skills and management capabilities. Additionally, the Company designs training programs for different job levels, including onboarding training for new employees, professional skills courses, and management training, ensuring employees receive appropriate career development opportunities at each stage.</p> <p>Every year, the Company evaluates the hours of employee education and training through the human resources department and sets short-term, medium-term, and long-term goals to improve overall training effectiveness. Through these measures, the Company ensures that employees possess the necessary professional skills and grow together with the enterprise in a stable career development mechanism.</p> <p>2024 Training Report</p> <table><tr><th>Training Category</th><th>Total Hours</th><th>Number of Trainees</th><th>Training Cost (NTD)</th></tr><tr><td>Sustainability and Workplace Safety Training</td><td>3,545.5</td><td>1,527</td><td>137,888</td></tr><tr><td>Customer Relations and Management Training</td><td>1,638.0</td><td>597</td><td>50,000</td></tr><tr><td>Professional Skills Training</td><td>100.0</td><td>16</td><td>37,600</td></tr><tr><td>Information Security Training</td><td>538.0</td><td>260</td><td>-</td></tr><tr><td>Total</td><td>5,821.5</td><td>2,400</td><td>225,488</td></tr></table>	Training Category	Total Hours	Number of Trainees	Training Cost (NTD)	Sustainability and Workplace Safety Training	3,545.5	1,527	137,888	Customer Relations and Management Training	1,638.0	597	50,000	Professional Skills Training	100.0	16	37,600	Information Security Training	538.0	260	-	Total	5,821.5	2,400	225,488	No significant difference.
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items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(V) Has the Company complied with relevant laws, regulations and international standards for the customer health and safety, customer privacy, and marketing and product labeling, and formulate relevant consumer protection policies and complaint procedures?	V		<p>(V) Describe the laws, regulations, and international standards applicable to each item, and provide an explanation of the name, content, and complaint procedures associated with the policies that safeguard consumer or client rights.</p> <p>The Company complies with regulations related to products and services, ensuring customer health and safety, and has established comprehensive consumer protection policies. All products comply with labeling regulations, with detailed information provided on packaging. Skin-friendly products are certified free of formaldehyde and comply with EU standards, and cabinet products come with complete usage instructions to reduce consumer risks.</p> <p>In terms of customer privacy protection, the Company actively promotes personal data protection education, arranging annual training for employees to ensure information security. Moreover, the Company has a reporting system in place to prevent the leakage of customer information.</p> <p>Regarding marketing and labeling, the Company strictly adheres to relevant regulations to ensure transparency and accuracy in all marketing information, with no violations occurring. Through physical stores and diverse media marketing, the Company enhances brand image and customer trust.</p> <p>For grievance handling, the Company provides a toll-free hotline (0800), customer service email, and online customer service on the official website to ensure that consumer feedback is promptly responded to and appropriately addressed. Through these measures, the Company continuously strengthens consumer rights protection and improves customer satisfaction.</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(VI) Has the Company formulated a supplier management policy requiring suppliers to comply with the relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	V		<p>(VI)</p> <p>I. Description of the supplier management policy and relevant compliance regulations, and its specific requirements for suppliers on environmental protection, occupational safety and health, or labor rights (e.g., requiring certification). The Company's supplier management policy covers environmental protection, occupational safety and health, and labor rights, with clear compliance regulations. First, the Company requires all partners to strictly follow local labor laws and environmental protection regulations to ensure that production environments meet standards, thereby improving employees' working conditions and quality of life. Specifically, for environmental protection and sustainable development, the Company requires Indonesian teak suppliers to comply with V-legal standards to ensure the legality of timber sources, prevent illegal logging and forest destruction, and protect forest resources and biodiversity.</p> <p>In terms of occupational safety and health, the Company regularly sends professional personnel to conduct on-site audits of suppliers' factories to ensure that production processes meet standards and actively collaborates with suppliers to resolve issues in the production process, enhancing safety and product quality. Moreover, the social responsibility of suppliers is also one of the evaluation criteria, including employee benefit, contributions to local communities, and environmental protection, ensuring that partners fulfill corporate social responsibility alongside the Company. Through these measures, the Company ensures the sustainable development of the supply chain and promotes positive performance in environmental protection, labor rights, and safety and health among suppliers.</p> <p>II. Description of the implementation status of the supplier management policy and relevant compliance regulations (e.g., supplier self-assessment, guidance or education, performance evaluation, etc.)</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>The Company conducts supplier visits and performance evaluations, assessing suppliers from the perspectives of quality, delivery, environmental protection, and social responsibility, requiring suppliers to conduct regular self-assessments and improvements.</p> <p>The Company regularly evaluates suppliers' quality, delivery times, and costs to ensure a stable supply chain and enhance competitiveness. The Company establishes close cooperation with suppliers, dispatching teams for mutual visits to jointly resolve production issues, ensuring product quality and production efficiency. At the same time, suppliers are required to comply with local labor laws and environmental protection regulations, ensuring that production environments meet standards, thereby improving employees' working conditions and quality of life.</p> <p>Additionally, the Company actively seeks more competitive suppliers and considers their social responsibility performance, including employee benefit, contributions to local communities, and environmental protection. For raw material supply, the Company specifically requires imported teak suppliers to ensure the legality of timber sources, preventing illegal logging to protect forest resources and the environment. Through these measures, the Company is committed to establishing a robust and sustainable supply chain management mechanism.</p>	No significant difference.
V. Does the Company make reference to international standards or guidelines for the preparation of reports, such as Sustainable Development reports and other reports that disclose non-financial information of the Company? Has a third-party verification unit obtained a confirmation or assurance opinion on the aforementioned report?	V		<p>I. Description of the international reporting standards or guidelines referenced and the non-financial information disclosure reports prepared.</p> <p>When preparing the sustainability report, the Company references internationally accepted reporting standards to ensure the transparency and completeness of the information. The report is compiled based on the 2021 edition of the GRI Standards published by the Global Reporting Initiative (GRI) and references industry indicators from the Sustainability Accounting Standards Board (SASB) as well as the Task Force on Climate-related Financial Disclosures (TCFD) framework,</p>	No significant difference.

items	Execution situation (Note 1)			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>providing detailed non-financial information disclosure. Additionally, the report content covers Environmental (E), Social (S), and Governance (G) aspects, presenting the Company's sustainability efforts, performance, and future plans comprehensively, aligning with international standards and meeting stakeholders' information needs.</p> <p>II. Description of the assurance or attestation obtained, including the name of the verification unit, the verification items or scope, and the standards followed.</p> <p>The Company's sustainability report has been reviewed by a third-party verification agency to ensure the authenticity and reliability of the information. The report was entrusted to the accounting firm Crowe (TW) CPAs, following the TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Accounting Research and Development Foundation, to conduct limited assurance. The verification scope covers the sustainability information disclosed in the report, including various performance data in the environmental, social, and governance (ESG) fields. Through third-party review, the Company ensures that the report content meets international standards, enhancing the credibility and trustworthiness of the information and providing stakeholders with accurate information on corporate sustainability development.</p>	No significant difference.
<p>VI. If the Company has established the Sustainable Development principles based on “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has established the Sustainable Development Promotion, The "Sustainable Development Best Practice Principles" were formulated and approved in 2024.</p>				
<p>VII. Other important Other important information to help understand the implementation of sustainable development.</p> <p>The Company has established an 0800 customer service line to ensure the rights of customers and attempt to find the balance between securing the benefit of shareholders and environment protection and to fulfill the Sustainable Development.</p>				

Note 1: If implementation status is specified "Yes", please explain the key policies, strategies and measures taken and the implementation status; if implementation status is specified "No", please explain the relevant policy, strategy and measures to be taken in the future in "the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviation" box.

Note 2: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

Note 3: Appropriate risk management policies have been established based on the assessed risks.

Material Issues	Risk Types	Response Strategies
Corporate governance	Strategic and operational risk	Conduct business environment analysis and develop strategic business planning.
	Market risk	<ul style="list-style-type: none"> <li>● Establish and implement various strategies.</li> <li>● Monitor and manage potential market risk crises.</li> </ul>
	Information security risk	Establish regulations for secure use of information equipment and system recovery operations to ensure information security.
	Financial risk	Establish risk assessment audit models and conduct regular financial risk evaluations.
Social	Human resource risk	<ul style="list-style-type: none"> <li>● Strictly comply with labor regulations and eliminate any human rights violations.</li> <li>● Strengthen internal company training to enhance professional skills.</li> <li>● Continuously improve employee safety and health in the workplace.</li> </ul>
Environmental	Climate change risk	<ul style="list-style-type: none"> <li>● Identify climate change risks, develop risk response measures, assess operational impacts and financial implications, and provide concrete disclosure of climate change information.</li> <li>● Through greenhouse gas emission inventories, continuously estimate greenhouse gases generated from energy use as a reference basis for subsequent energy conservation and carbon reduction performance.</li> </ul>

(VII) Climate-related Information for Listed and OTC Companies

1. Status on the Implementation of Climate-related Information

items	Execution situation
1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and the Management.	The Company has established the Sustainable Development Promotion Team as the highest-level organization for managing climate change. Each year, the team reviews the Company's climate change strategy and goals, manages risks and opportunities related to climate change, evaluates the progress of implementation, discusses future plans, and reports to the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the operations, strategies, and finances of the organization (in the short, medium, and long term).	<p>The Company follows the TCFD framework to assess the risks and opportunities associated with climate change. We conduct a comprehensive assessment every three years and review and update it annually. In 2024, we successfully completed our initial climate risk assessment. A detailed explanation of our analysis of climate change risks and opportunities will be included in the Company's sustainability report.</p> <p>Short-term: Potential challenges include extreme rainfall and drought, escalating raw material expenses, and carbon fees imposed by the government. To mitigate supply chain disruptions and cost escalations, it is imperative to enhance disaster prevention facilities, embrace low-carbon energy sources, and diversify our supplier base.</p> <p>Mid-term: Possible changes in customer consumption behavior and changes in average rainfall. It is essential to develop climate-adaptive products and conduct market research to adapt strategies, mitigate inventory risks, and improve brand resilience.</p> <p>Long-term: Possible increased pressure on water resources and changes in temperature. It is essential to invest in water-saving technologies, improve overall disaster response capabilities, and collaborate with the government to address water resource issues for reducing the long-term risks.</p>
3. Describe the financial impact on the Company resulting from extreme climate events and transformation actions.	The financial impact on the Company resulting from extreme climate events and transformation actions will be disclosed in the Company's sustainability report. Extreme climate events and transformation actions can have significant effects on the Company's finances. Severe weather conditions can cause disruptions in production, delays in the supply chain, and increased operating costs, thereby impacting corporate revenue and profits. Investing in transformation actions may lead to short-term financial burdens and uncertainties in market response, as well as competitive pressures. To address these challenges, the Company plans to establish a sound risk management mechanism and strengthen financial planning and budget control to ensure sufficient funds to manage potential losses and investment needs. Additionally, expanding product lines and continuously monitoring market trends are crucial to reduce reliance on a single product or service and adjust business strategies in a timely manner to adapt to market changes.

items	Execution situation
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	In order to fully comprehend the impact of climate change-related risks and opportunities on the Company, the Sustainable Development Promotion Team is tasked with promoting the management of risks and opportunities associated with climate change, and reports the risks and opportunities to the Board of Directors from time to time in order to implement a company-wide tracking and monitoring mechanism.
5. When scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and significant financial impacts should be described.	<p>The Company assesses climate change risks through scenario analysis, referencing the TCFD framework, simulating different emission scenarios, and evaluating short-, medium-, and long-term impacts. In response to the 2026 carbon fee implementation and the 2027 expansion of greenhouse gas inventory obligations, the Company plans to invest in energy-efficient equipment and renewable energy to reduce operating costs and carbon emission risks. Additionally, extreme weather events such as typhoons, floods, and droughts could affect plant operation and supply chain stability. The Company has assessed the climate exposure of the Guishan plant and formulated response measures.</p> <p>In terms of financial impact, carbon fees and investments in low-carbon technologies will increase costs, while market demand for low-carbon products may affect competitiveness and revenue. To address this, the Company continues to conduct greenhouse gas inventories, optimize energy-saving strategies, and strengthen supply chain management to maintain stable operations and long-term development in the face of climate change challenges.</p>
6. If there is a transition plan for managing climate-related risks, the program's content, as well as the indicators and targets for identifying and managing entity risks and transition risks should be described.	<p>The Company addresses climate change risks by promoting a transition plan through the "Sustainable Development Task Force," conducting risk assessments and management. The plan covers greenhouse gas reduction, energy management, and supply chain resilience to mitigate the impact of climate change on business operations. To reduce carbon emissions, the Company gradually introduces energy-efficient equipment and renewable energy, and enhances greenhouse gas inventories to comply with regulatory requirements. In addition, the Company identifies the impact of extreme weather events (such as typhoons, floods, and droughts) on plants and supply chains and takes disaster prevention measures to ensure stable operations.</p> <p>In identifying and managing climate risks, the Company follows the TCFD framework, analyzing risks through short-, medium-, and long-term perspectives, and establishing monitoring indicators and targets. Key indicators include greenhouse gas emissions, energy intensity, and carbon fee impact assessments. The Company regularly reviews and adjusts carbon reduction strategies to ensure competitiveness during the low-carbon transition. Through these measures, the Company is committed to enhancing climate resilience, reducing financial risks, and achieving sustainable development goals.</p>

items	Execution situation
7. If internal carbon pricing is used as a strategic planning tool, the explanation for the basis of price determination should be provided.	The Company has not used internal carbon pricing as a planning tool in 2024. Currently, the Company primarily manages climate-related risks and opportunities through greenhouse gas inventories, improving energy efficiency, and implementing carbon reduction measures. Although internal carbon pricing has not been adopted, the Company is monitoring carbon tax policies and international carbon market prices and will evaluate their applicability in the future to further refine climate risk management strategies.
8. If climate-related goals are established, the information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, the source and quantity of carbon reduction credits offset or the quantity of renewable energy certificates (RECs) should be stated.	The Company has not yet set specific climate-related targets in 2024 but has initiated greenhouse gas inventories and carbon reduction measures, laying the foundation for future target-setting. Currently, the Company is actively planning carbon reduction actions covering Scope 1 and Scope 2 greenhouse gas emissions and continues to monitor the application of RECs and carbon offset mechanisms to gradually implement and achieve climate targets in the future.
9. Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans (completed in sections 1-1 and 1-2).	Please consult the descriptions provided in sections 1-1 and 1-2

## 1-1 Greenhouse Gas Inventory and Assurance Status in the Last Two Years

### 1-1-1 Greenhouse Gas Inventory Information

Please provide the emissions (in metric tons CO2e), intensity (in metric tons CO2e per million dollars), and data coverage for greenhouse gases over the past two years.

In 2024, the total greenhouse gas emissions for Scope 1 and Scope 2 of the Company amounted to 1,749.581 metric tons of CO2e. The majority of these emissions, accounting for 90.58%, originated from Scope 2 electricity emissions, followed by Scope 1 direct emissions, which constituted 9.42%.

	2023		2024	
	Emissions (metric tons of CO2e)	Density (metric tons of CO2e per million NTD in revenue)	Emissions (metric tons of CO2e)	Density (metric tons of CO2e per million NTD in revenue)
Scope 1 Direct GHG emissions	135.126		164.859	
Scope 2 Indirect GHG emissions	1,436.900		1,584.722	
Subtotal	1,572.026	1.0302	1,749.581	1.1366

The Company only completed greenhouse gas inventory of its headquarters, warehouses and brick and mortar stores in 2023, but completed an inventory of all business locations of the parent company itself in 2024, which resulted in an 11.29% increase in total greenhouse gas emissions in 2024 as compared to those in 2023 due to the expansion of the number of locations to be inspected.



To continuously achieve international reduction trends, the Company is committed to enhancing energy efficiency and exploring the use of renewable energy sources to mitigate future carbon emissions. We will persist in monitoring and optimizing our energy consumption to attain our long-term carbon reduction objectives.

Note 1: The Company shall comply with the time schedule specified in Paragraph 2 of Article 10 of the Guidelines. If the Company has not obtained a complete greenhouse gas assurance opinion by the printing date of the annual report, the Company shall state that "the complete assurance information will be disclosed in the sustainability report", or if the Company has not compiled a sustainability report, the Company shall state that "the complete assurance information will be disclosed in the Market Observation Post System", and shall disclose the complete assurance information in the following year's annual report

Note 2: The assurance agencies shall comply with the requirements for certification agencies for sustainability reports set forth by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

#### 1-1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plan

Describe the assurance status for the last two years ending on the publication date of the annual report, including the assurance scope, the assurance agency, the assurance criteria, and the opinion of the assurance.

1. The parent company should begin verification starting from the year 2028.
2. Subsidiaries included in the consolidated financial report should begin verification starting from the year 2029.

Note 1: The Company shall comply with the time schedule specified in Paragraph 2 of Article 10 of the Guideline. If the Company has not obtained a complete greenhouse gas assurance opinion by the printing date of the annual report, the Company shall state that "the complete assurance information will be disclosed in the sustainability report", or if the Company has not compiled a sustainability report, the Company shall state that "the complete assurance information will be disclosed in the Market Observation Post System", and shall disclose the complete assurance information in the following year's annual report.

Note 2: The assurance agencies shall comply with the requirements for certification agencies for sustainability reports set forth by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

### 1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plan

Describe the base year of greenhouse gas reduction and its data, reduction goals, strategies, specific action plans and achievement of reduction goals.

In response to climate change, the Company has established clear targets and strategies for reducing greenhouse gas emissions and is continuously promoting related action plans.

I 、Base year for greenhouse gas reduction and reduction targets

In 2024, the Company completed the greenhouse gas inventory for the parent company itself. Consequently, the base year is established as 2024, with Scope 1 and Scope 2 emissions totaling 164,859 metric tons of CO<sub>2</sub>e and 1,584,722 metric tons of CO<sub>2</sub>e, respectively. We are committed to implementing the following specific actions to further our goal of reducing emissions by at least 1% annually from the base year.

II 、Greenhouse gas reduction goals, strategies, and specific action plan

To continue promoting the reduction of greenhouse gas emissions, the Company will enhance our energy management system. In 2024, we established guidelines for the

temperature settings and operating hours of air conditioning systems, and we provided relevant training for employees to ensure the effective implementation of these policies. Simultaneously, we are gradually replacing traditional lighting and air conditioning equipment with energy-efficient alternatives, such as energy-saving light fixtures or inverter air-conditioning equipment. In 2024, we also replaced the old air conditioning units in ten retail stores with energy-efficient labeled equipment to reduce energy consumption and carbon emissions.

The Company will conduct regular reviews of its progress toward its reduction targets and will adjust its strategies and action plans in accordance with international carbon reduction trends and regulatory requirements, thereby committing to sustainable business practices and environmental protection.

Note 1: The Company shall comply with the time schedule specified in Paragraph 2 of Article 10 of the Guideline.

Note 2: The base year should be the year in which the consolidation financial report for 2024 in 2025. Therefore, the base year will be 2024. If the Company has already completed the review of the consolidation financial report in advance, the earlier year can be used as the base year. The data for the base year can be calculated as a single year or an average of multiple years.

(VIII) Fulfillment of ethical operation, Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Formulation of policies and plans for ethical corporate management				
(I) Has the Company established the ethical corporate management policies approved by the Board of Directors, and specified its ethical corporate management policies and practices, and the commitment of the Board of Directors and senior management to actively implement such policies in its rules and external documents?	V		(I) The Company bases its operations on integrity and responsibility, and has formulated the "Integrity Management Guidelines" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," which has been approved by the Board of Directors. The guidelines explicitly stipulate the Company's integrity management policies and practices, and the Board and management are committed to actively implementing them. Through robust corporate governance and risk control mechanisms, the Company ensures stable operations and achieves sustainable development.	The Company has established the "business integrity policy".
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention measures accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) The Company's "Integrity Management Guidelines" cover the preventive measures for the behaviors listed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and have established a mechanism for assessing the risks of unethical behavior. The Company regularly analyzes and evaluates high-risk business activities and formulates preventive plans accordingly. Through comprehensive risk control and internal audit mechanisms, the Company continuously reviews the effectiveness of preventive measures and implements integrity management through education and supervision mechanisms.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a reporting system, implemented them and reviewed the prevention measures on a regular basis?	V		(III) The Company has stipulated the operating procedures, behavior guidelines, disciplinary measures for violations, and grievance mechanisms in the "Integrity Management Guidelines" and the "Operating Procedures and Behavior Guidelines for Integrity Management," and ensures their implementation. Through internal audit and supervision mechanisms, the Company regularly reviews and revises the preventive plans to enhance management effectiveness, ensuring that the integrity management policy continuously complies with corporate governance and regulatory requirements.	No significant difference.
II. Implementing ethical corporate management (I) Has the Company evaluated ethical records of its counterparty? Does the contract signed by the Company and its counterparty clearly stipulates terms on ethical conduct?	V		(I) The Company assesses the integrity records of counterparties through the "Integrity Management Guidelines" and the "Operating Procedures and Behavior Guidelines for Integrity Management" to ensure that partners adhere to integrity management principles. When signing contracts with counterparties, the Company specifies integrity behavior clauses and reserves the right to terminate or cancel the contract, ensuring that business dealings comply with corporate governance and regulatory requirements, thereby implementing the integrity management policy.	No significant difference.
(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once a year) report the implementation of the ethical corporate management policies and prevention measures against unethical conduct to the Board of Directors?	V		(II) The Company has established a dedicated unit under the Board of Directors responsible for promoting and supervising the integrity management policy, managed by the Sustainable Development Task Force. This unit reports to the Board at least once a year, covering the plans to prevent unethical behavior and their implementation status. Through internal supervision and audit mechanisms, the Company ensures the effective implementation of the integrity management policy. On November 11, 2024, the unit reported the 2024 implementation status of the integrity management policy to the Board, explaining the promotion achievements and operational status.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate reporting channels, and implemented accordingly?	V		(III) The Company has formulated a conflict of interest prevention policy, incorporated into the "Integrity Management Guidelines" and the "Operating Procedures and Behavior Guidelines for Integrity Management," to ensure that directors, managers, and employees comply with relevant regulations while performing their duties. The Company provides appropriate reporting and declaration channels, requiring stakeholders to proactively disclose potential conflicts and ensuring that all business decisions adhere to integrity principles. Through internal supervision and periodic reviews, the Company ensures the effective implementation of the policy.	No significant difference.
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit department, based on the assessment results of the risk of unethical conduct, formulated audit plans and inspected the compliance with the prevention measures accordingly or entrusted a CPA to conduct the audit?	V		(IV) The Company has established accounting and internal control systems in accordance with regulatory requirements and relevant laws, and adjusts them based on business needs and management development. The internal control mechanism clearly delineates the responsibilities of each department, ensuring that transaction processes comply with internal regulations and laws, and implementing segregation of duties to prevent fraud. Through self-inspection by various units and internal audit mechanisms, the Company strengthens internal control effectiveness and ensures the effective implementation of the integrity management policy.	No significant difference.
(V) Does the Company regularly organize internal and external training for ethical corporate management?	V		(V) The Company regularly educates the Board, management, and employees on "Insider Trading Prevention," "Operating Procedures and Behavior Guidelines for Integrity Management," and "Code of Ethical Conduct," among other regulations, throughout the year. Relevant course materials and guidelines are made available in the internal employee system for reference.	No significant difference.

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>To strengthen frontline staff's awareness and response capabilities regarding personal data protection, the company conducted eight advocacy sessions on personal data protection during routine business meetings in 2024. These sessions continuously reminded store personnel to properly implement data protection principles and reduce the risk of consumer data breaches.</p> <p>Additionally, to address common scenarios such as customer requests for data deletion or rejection of marketing communications, the company carried out ten practical drills on handling such requests. These exercises aimed to improve the accuracy and timeliness of frontline staff responses, thereby enhancing service quality and raising awareness of personal data compliance.</p> <p>Furthermore, recognizing that warehouse staff and contracted drivers may also encounter customer personal data during delivery and pickup processes, the company specially arranged a dedicated training session in 2024 for warehouse and logistics personnel. This training reinforced the importance of data protection and provided practical operational guidance. All warehouse staff and contracted drivers participated in the training, achieving a 100% participation rate. This ensured that all frontline operational personnel could properly handle personal data in their daily work, adhere to confidentiality principles, and further strengthen the company's overall personal data protection management.</p> <p>In total, 58 employees completed personal data protection training courses in 2024, with a cumulative training duration of 36.5 hours.</p>	No significant difference.

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>III. Implementation of the whistle-blowing system in the Company</p> <p>(I) Has the Company established a detailed whistle-blowing, reward system and accessible whistle-blowing channels? Does the Company assign suitable and dedicated individuals for cases reported by the whistle-blower?</p> <p>(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p> <p>(III) Has the Company implemented protection measures against inappropriate disciplinary actions on the whistle-blower?</p>	V		<p>(I) The Company has established a specific whistleblowing system and convenient whistleblowing channels. The Company provides a whistleblowing hotline and email address as methods for reporting, which are managed by the administration department. Additionally, the Company assigns dedicated personnel to handle reported cases and ensures that whistleblowing cases are investigated fairly. The whistleblowing system also includes confidentiality and protection measures to safeguard the rights of whistleblowers and ensure they are not subjected to improper treatment due to their reporting.</p> <p>(II) The Company has established standard operating procedures for investigating reported matters to ensure that whistleblowing cases are properly handled. After the investigation is completed, the Company takes appropriate follow-up measures based on the results, including requiring violators to cease their actions, imposing disciplinary measures, or pursuing legal action. The Company also reviews internal systems to prevent similar situations from recurring. In addition, the Company has strict confidentiality mechanisms in place, and all personnel involved in the investigation are obligated to maintain the confidentiality of the whistleblower's identity and the case details, ensuring that whistleblowers are not adversely affected by their reporting.</p> <p>(III) The Company has implemented clear measures to protect whistleblowers, ensuring that they do not suffer any improper treatment due to their reporting. The Company is committed to maintaining the confidentiality of whistleblowers' identities and the content of their reports, and requires personnel involved in handling whistleblowing cases to maintain confidentiality. However, protection does not apply to malicious or false reports to maintain the fairness of the whistleblowing mechanism.</p>	<p>No significant difference.</p> <p>No significant difference.</p> <p>No significant difference.</p>

Evaluation items	Implementation Status (Note 1)			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
IV. Improvement of information disclosure (I) Has the Company disclosed the content of its best practices on ethical corporate management and the effectiveness of its implementation on its website or Market Observation Post System (MOPS)?	V		(I)The Company has disclosed the "Integrity Management Guidelines" on its website and the Market Observation Post System, and has also revealed the effectiveness of their implementation in the annual report and on the Company website. Relevant content can be found in the "Corporate Governance" section of our website.	No significant difference.
V、If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies. The Company has established and approved regulations and policies related to ethical corporate management in 2024, without any major deviations between its business operations and the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".				
VI、Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).None				

Note 1: Regardless of "Yes" or "No" checked on operation situation, the summary shall be provided in summary column.

1. The Company follows the Company Act, Securities and Exchange Act, Business Entity Accounting Act, stock listed for trading regulations and other business conduct related regulations, upholding the "innovation, harmony, pragmatism, speed" business philosophy at the time of its creation, as the foundation and belief of the stable development of the Company.
2. The Company stipulated in the "Code of the Board of Directors" a directors' conflict of interests rule and requires the directors to be highly self-disciplined. If the listed proposals are of interest to themselves, which may be harmful to the interests of the Company, they may express opinions and respond to the inquiries, but may not join the discussion and voting, and should be avoided during discussion and voting, and may not exercise voting rights on behalf of other directors, to follow the principle of corporate integrity management and corporate governance culture.

(IX) If the company has established a corporate governance code and related regulations, the inquiry method should be disclosed.

The Company has set up a "For Shareholders" page in investor relation website <https://www.topshine.tw>, which can be used to query the Company's relevant regulations, articles and operating procedures.

(X) Other important information that is sufficient to increase understanding of corporate governance operations: None.



(XI) The implementation status of the internal control system should disclose the following matters

1. Internal Control Declaration.

Scan-D Corporation

Statement of Internal Control System

Date: March 13, 2025

The Company's internal control system for 2024, based on the results of self-assessment, hereby states as follows:

1. The Company recognizes that it is the responsibility of the board of directors and managerial officers of the Company to establish, implement and maintain the internal control system, and the Company has set up such a system to provide reasonable assurance of operational effectiveness and efficiency (including profit, performance and safety of assets), report reliability, timeliness, transparency and compliance with relevant codes and regulations.
2. An internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, the effectiveness of the internal control system may vary with the environment and situation. However, the Company's internal control system has a self-monitoring mechanism. Once the deficiencies are identified, the Company will take corrective action.
3. The Company judges whether the design and implementation of the internal control system are effective or not according to the criteria for the effectiveness of the internal control system as stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (the Regulations). The internal control system criteria adopted in the Regulations is to classify the system into five elements according to the process of management control: 1) control environment; 2) risk assessment; 3) control activities; 4) information and communications, and 5) supervision activities. Each element also includes several items. For the foregoing items, please refer to the provisions of the Regulations.
4. The Company has adopted the above internal control system criteria to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the foregoing assessment, the Company considers that the design and implementation of its internal control system (including supervision and management of its subsidiaries) as of December 31, 2024, including the understanding of the effectiveness of operations and the extent to which efficiency objectives have been achieved, report reliability, timeliness, transparency and compliance with relevant codes and regulations, are effective, and can reasonably ensure the achievement of the above goals.
6. This Statement will constitute the main content of the Company's annual report and public statement and be made public. If any of the contents disclosed above is found to be false, have concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement was approved by the board of directors of the Company on March 13, 2025. None of the eight directors present had any objection and they all agreed to the contents of this Statement.

Scan-D Corporation

2. Internal control event shall be exposed by accountant: None.

(XII) In the most recent year and before the deadline of publishing the annual report, were the companies and internal personnel penalized? Were the internal personnel penalized for violating the internal control system? Were there any major defects or improvements: none

(XIII) Significant resolutions of the shareholders' meeting and the board meetings in the most recent fiscal year and as of publication date of this annual report

1. Significant Resolutions of the Shareholders' Meeting

(1) 2024 General Shareholders Meeting of Scan-D Corporation

Date of meeting	Significant Resolutions
June 19, 2024	1. Recognition of the Company's 2023 Business Report and Financial Account. 2. Recognition of the 2023 Earning Distribution Resolution. 3. Approval to certain articles of the Company's Procedures for Election of Directors.

(2) Resolutions of the 2024 General Shareholders Meeting of Scan-D Corporation and their Implementation

Subject: Recognition of the Company's 2023 Business Report and Financial Account.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 28,484,724 votes

Voting results	% of the total voting rights of the attending shareholders
For: 28,264,198 votes (including 28,256,739 electronic votes)	99.22%
Against: 53,432 votes (including 53,432 electronic votes)	0.18%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 167,094 votes (including 167,094 electronic votes)	0.58%

This resolution was recognized as the original resolution by voting.

Implementation: The Company's 2023 final account has been recognized: and has been announced and reported to the competent authorities in accordance with the relevant regulations.

Subject: Recognition of the Company's 2023 Earning Distribution Resolution.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 28,484,724 votes

Voting results	% of the total voting rights of the attending shareholders
For: 28,263,893 votes (including 28,256,434 electronic votes)	99.22%
Against: 53,439 votes (including 53,439 electronic votes)	0.18%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 167,392 votes (including 167,392 electronic votes)	0.58%

This resolution was recognized as the original resolution by voting.

Implementation: The ex-dividend date was set to July 05, 2024. In accordance with the resolution of the shareholders meeting, a cash dividend of NT\$170,656,003 (NT\$3.4 per share in cash) was distributed to the shareholders and was fully paid on July 19, 2024.

Subject: Approval to certain articles of the Company's Procedures for Election of Directors.

Resolution: The voting results are as follows:

Total votes of shareholders present at the time of voting: 28,484,724 votes

Voting results	% of the total voting rights of the attending shareholders
For: 28,215,385 votes (including 28,207,926 electronic votes)	99.05%
Against: 105,281 votes (including 105,281 electronic votes)	0.36%
Invalid: 0 votes (including 0 electronic votes)	0.00%
Abstention: 164,058 votes (including 164,058 electronic votes)	0.57%

This resolution was recognized as the original resolution by voting.

Implementation: It is announced on the Market Observation Post System and the Company's website in accordance with the laws and regulations, which is implemented according to the revised procedures.

## 2. Significant Resolutions of the Board Meeting

### Significant Meeting Agenda

January 1, 2024 to April 30, 2025

Date	Session	Summary
March 13, 2024	5th meeting of the 11th session Board Meeting	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2023 business report and financial statements.</li> <li>2 、 Approved the Company's 2023 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors.</li> <li>3 、 Approved the 2023 year-end bonus distribution for the Company's managers.</li> <li>4 、 Approved the 2023 year-end bonus distribution for the subsidiaries Director.</li> <li>5 、 Approved the Company's 2023 earnings distribution.</li> <li>6 、 Approved the evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.</li> <li>7 、 Approved the non-assurance services provided by CPAs for 2024.</li> <li>8 、 Approved the amendment to the Company's "Procedures for Election of Directors".</li> <li>9 、 Approved the Company's 2023 Internal Control System Statement.</li> <li>10 、 Approved the second-tier subsidiary NOVA FURNISHING CENTRE PTE LTD the new application of the bank credit line.</li> <li>11 、 Approved subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.</li> <li>12 、 Approved the new application of the bank credit line.</li> <li>13 、 Approved the date, venue and reason of convening of the Company's 2024 general shareholders meeting.</li> <li>14 、 Approved the Company's acceptance of the resolutions at the 2024 general shareholders meeting.</li> </ul>
May 09, 2023	6th meeting of the 11th session Board Meeting	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2024 Q1 consolidated financial report.</li> <li>2 、 Approved the Company's 2023 Remuneration Payment for Directors and Supervisors and Remuneration Payment for Managers and Employees.</li> <li>3 、 Approved the establishment of Sustainable Development Task Force .</li> <li>4 、 Approved the application of the extension of the bank credit line.</li> <li>5 、 Approved the deregistration of the subsidiary.</li> </ul>
July 05, 2024	7th meeting of the 11th session Board Meeting	<ul style="list-style-type: none"> <li>1 、 Approved the Tainan Logistics Warehouse Construction Project.</li> <li>2 、 Approved the deregistration of the subsidiary.</li> </ul>
August 12, 2024	8th meeting of the 11th session Board Meeting	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2024 Q2 consolidated financial report.</li> <li>2 、 Approval of the Company's 2023 Annual Sustainability Report.</li> <li>3 、 Approval of the Company's "Sustainable Development Best Practice Principles"</li> <li>4 、 Approval of the Company's "Code of Ethical Conduct for Directors and Managers"</li> <li>5 、 Approval of the Company's "Ethical Corporate Management Best Practice Principles"</li> <li>6 、 Approval of the Company's "Procedures for Ethical Management and Guidelines for Conduct"</li> <li>7 、 Approval of the Company's "Risk Management Policies and Procedures"</li> </ul>

Date	Session	Summary
		<ul style="list-style-type: none"> <li>8 、 Approval of the acquisition of leased right-of-use assets from related parties.</li> <li>9 、 Approval of the improvement plan of sub-subsidiary Nova Furnishing Centre Pte Ltd. for exceeding endorsement/guarantee limits.</li> <li>10 、 Approved the application of the extension of the bank credit line.</li> </ul>
November 11, 2024	11th meeting of the 11th session Board Meeting	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2024 Q3 consolidated financial report.</li> <li>2 、 Approved the 2024 year-end bonus distribution for the Company's managers.</li> <li>3 、 Approved the 2024 year-end bonus distribution for the subsidiaries Director.</li> <li>4 、 Approved the Company's 2025 Budget.</li> <li>5 、 Approved the Company's 2025 audit plans.</li> <li>6 、 Approved the amendment to the Company's "Measures for Supervision and Administration of Subsidiaries".</li> <li>7 、 Approved the amendment of certain provisions of the Company's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees".</li> <li>8 、 Approved the amendment to part of the Company's "Rules Governing the Proceedings of Shareholder Meetings".</li> <li>9 、 Approved the amendment to the Company's "Remuneration Committee Charter".</li> <li>10 、 Approved the amendments to the certain provisions of the internal control system and internal audit implementation rules of the Company's "Other Management".</li> <li>11 、 Approved the application of the extension of the bank credit line.</li> </ul>
March 13, 2025	10th meeting of the 11th session Board Meeting	<ul style="list-style-type: none"> <li>1 、 Approved the Company's 2024 business report and financial statements.</li> <li>2 、 Approved the Company's 2024 Remuneration Payment for Employees and Remuneration Payment for Directors and Supervisors.</li> <li>3 、 Approved the 2024 year-end bonus distribution for the Company's managers.</li> <li>4 、 Approved the 2024 year-end bonus distribution for the subsidiaries Director.</li> <li>5 、 Approval of the definitions and scope of rank and file employees of the Company.</li> <li>6 、 Approval of the remuneration adjustment plan for the Chairman and managers for 2025.</li> <li>7 、 Approved the Company's 2024 earnings distribution.</li> <li>8 、 Approved the evaluation of the independence and competency of the Company's CPAs, as well as their appointment and remuneration.</li> <li>9 、 Approved the non-assurance services provided by CPAs for 2025.</li> <li>10 、 Approved the amendments of certain provisions of the Articles of Association.</li> <li>11 、 Approved the Company's 2024 Internal Control System Statement.</li> <li>12 、 Approved the second-tier subsidiary NOVA FURNISHING CENTRE PTE LTD the new application of the bank credit line.</li> <li>13 、 Approved subsidiary NOVA FURNISHING CENTRE company for the second-tier subsidiary NOVA FURNISHING HOLDINGS company endorsement guarantee case.</li> <li>14 、 Approved the deregistration of the subsidiary.</li> </ul>

Date	Session	Summary
		15 、 Approved the date, venue and reason of convening of the Company's 2025 general shareholders meeting. 16 、 Approved the Company's acceptance of the resolutions at the 2025 general shareholders meeting.

( XIV ) Any Directors disagreeing with the decisions that were made by the Board of Directors meeting showing with a record or written statement in the most recent year and before the deadline of publishing the annual report and its content: none.

## IV 、Information about the fees for the CPA

### Audit Expense of the CPA

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	Chen, Chung-Chen	2024.01.01-2024.12.31	2,800	30	2,830	
	Lee, Li-Huang					

## V 、Information about the change of the CPA：

### (I) Former accountant：

Replacement Date	From 2023 Q3			
Replacement reasons and explanations	Change accountant for the internal arrangement of Deloitte & Touche			
Describe whether the Company terminated, or the CPA did not accept the appointment	Parties		CPA	The Company
	Status		NA	
	Termination of appointment			
	No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	None			
Differences with the company	Yes		Accounting principles or practices	
			Disclosure of Financial Statements	
			Audit scope or steps	
			Others	
	No	V		
	Remarks/specify details:			
Others (shall be disclosed according to Article 10, Subparagraph 5, Item 1-4 of the Principle)	None			

### (II) Current Accountant：

Name of accounting firm	Deloitte & Touche
Name of CPA	Chen, Chung-Chen 、Lee, Li-Huang
Date of appointment	From 2023 Q3
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) The company shall inform the former accountant about the first item and third part of the second item that are stated in this paragraph with a letter and notify the former accountant to reply within 10 days if there are opinion of disagreement. The reply of former accountant shall be disclosed by the company: not applicable.

**VI 、The company's chairman, general manager, manager of finance or accounting affairs, who has worked in a CPA's office or its related business in the past year, should disclose his or her name, company title and the employment period of the accounting firm or its related business. The definition of related business of**

the accounting firm is which the CPA of the accounting firm hold more than 50% of the shares or has obtained more than half of the board of directors or had publicly announced or printed documents to label the relationship with the accounting firm.

**VII、In recent fiscal year and as of the date of this Annual Report, Transfer of equity and change of equity pledge of directors, managers and shareholders with a shareholding ratio of more than 10%.The relative persons relationship of equity transfer or equity pledge shall disclose the name of the counterpart, the relationship with the company, directors, shareholding ratio of more than 10% of the shareholders and the number of shares acquired or pledged.**

(一) Changes of Directors, Managers and major Shareholders:

Unit: share

Title (Note 1)	Name	2024		As of Apr. 21, 2025		Note
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	
Chairperson	BVI NOBLE LINK MANAGEMENT LTD. Representative: Lim, Pok-Chin	0	0	0	0	
Director	Neo, Khay-Pin	0	0	0	0	
Director	Lim, Jie-Ren	2,028,200	0	0	0	
Director	Lim, Jie-Min	0	0	0	0	
Director	Wang, I-Yao	(100,000)	0	0	0	
Independent Director	Wang, Chia-Cheng	0	0	0	0	
Independent Director	Hung, Da-Feng	0	0	0	0	
Independent Director	Chen, Chung-Cheng	0	0	0	0	
Independent Director	Lin, Hui-Ping	0	0	0	0	
General Manager	Hsueh, Hsiu-Chu	0	0	0	0	
Chief Operating Officer	Yu, Hung-Wu	0	0	0	0	
Assistant Manager	Liao, I-Chen	(5,000)	0	0	0	
CFO	Ho, San-Chuang	0	0	0	0	
Chief Auditor	Huang, Shu-Ling	0	0	0	0	

Note1: Shareholders holding over 10% is deemed as major shareholder, please specify.

Note2: The relative person in relation to the transfer of equity or the pledge of equity shall fill in the following information.

(II) Share transfer over 10% among director, and manager : None.

(III) Equity pledge over 10% among director, and manager : None.



VIII 、The shareholding ratio of the top 10 shareholders are 2nd degree relatives specified in Financial Accounting Standards Bulletin No. 6

Name（Note 1）	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees（Note 3）		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
BVI Noble Link Management Ltd.	15,049,125	29.98%	0	0	0	0	YiCHia Investment CTBC entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account Standard Chartered entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
BVI Noble Link Management Ltd. Representative: Lim, Pok-Chin	0	0	0	0	21,299,490	42.44%	YiCHia Investment CTBC entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account Standard Chartered entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
CTBC entrusted Noble Link Management Ltd. Investment Account	3,320,775	6.62%	0	0	0	0	BVI Noble Link Management Ltd. YiCHia Investment Standard Chartered entrusted LIN, JIE-MIN Investment Account Standard Chartered entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
YiCHia Investment	2,929,590	5.84%	0	0	0	0	BVI Noble Link Management Ltd. CTBC entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account Standard Chartered entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
YiCHia Investment Responsible person: Lim, Pok-Chin	0	0	0	0	21,299,490	42.44%	YiCHia Investment CTBC entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account Standard Chartered entrusted LIM, JIE-REN Investment Account	Hold by same person Hold by same person Hold by first-degree relatives Hold by first-degree relatives	None
LIM, JIE-REN	2,028,200	4.04%	0	0	0	0	BVI Noble Link Management Ltd. YiCHia Investment CTBC Chartered entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIN, JIE-MIN Investment Account	Hold by first-degree relatives Hold by first-degree relatives Hold by first-degree relatives Hold by second-degree relatives	None
CTBC entrusted LIN, JIE-MIN Investment Account	1,728,947	3.44%	0	0	0	0	BVI Noble Link Management Ltd. YiCHia Investment CTBC entrusted Noble Link Management Ltd. Investment Account Standard Chartered entrusted LIM, JIE-REN Investment Account	Hold by first-degree relatives Hold by first-degree relatives Hold by first-degree relatives Hold by second-degree relatives	None
Hsueh, Hsiu-Chu	1,247,860	2.49%	0	0	0	0	None	None	None
Tai,Chuan-Wen	420,000	0.84%	0	0	0	0	None	None	None
Zhang, Li-Yuan	350,000	0.70%	0	0	0	0	None	None	None
PENG,ZHI-XIONG	254,000	0.51%	0	0	0	0	None	None	None
HE,YI-MEI	212,000	0.42%	0	0	0	0	None	None	None

Note 1: The top ten shareholders shall be listed, and the institutional shareholder shall list the name of the institutional shareholder and the name of the representative separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of the shareholder, the spouse and minors of the shareholder or nominee shareholder.

Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship with each other in accordance with the issuer of financial reporting standards.

**IX 、 The number of shares of an enterprise held by the Company, the Company’s Directors and officers and the enterprises controlled by the Company directly or indirectly, and the consolidated shareholding percentage: none.**

Consolidated Shareholding

Unit: Shares; %

Reinvestment (Note)	Investment by the Company		Investments by the directors, supervisors, managers, and directly or indirectly controlled business		Consolidated Investment	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Nova Furnishing Holdings Pte.Ltd.	2,000,000	100%	-	-	2,000,000	100%

Note: It is an investment accounted for using equity method by the Company.

# III 、Capital Overview

## I 、Capital and Shares

### (I) Source of Capital

Apr.21, 2025 ; Unit: thousand dollars ; 1,000 shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1995/10	10	5,000	50,000	2,000	20,000	Establish	None	
1997/08	10	5,000	50,000	3,500	35,000	Capital Increased by Cash, 15,000,000 dollars	None	
1999/10	10	10,000	100,000	10,000	100,000	Capital Increased by Cash, 53,125,000 dollars Capital increase by retained earnings and bonus 11,875,000 dollars	None	
2000/06	10	19,220	192,200	19,220	192,200	Capital Increased by Cash, 50,000,000 dollars Capital increase by retained earnings and bonus 42,200,000 dollars	None	
2001/01	10	21,220	212,200	21,220	212,200	Consolidated capital increase, 20,000,000 dollars	None	Note 1
2001/07	10	25,648	256,476	25,648	256,476	Capital increase by retained earnings and bonus 33,666,000 dollars Capital Reserve Increase, 10,610,000 dollars	None	Note 2
2002/07	10	48,000	480,000	31,631	316,313	Capital increase by retained earnings and bonus 59,837,000 dollars	None	Note 3
2003/08	10	48,000	480,000	35,194	351,946	Capital increase by retained earnings and bonus 35,633,000 dollars	None	Note 4
2004/09	10	48,000	480,000	37,139	371,391	Capital increase by retained earnings and bonus 19,445,000 dollars	None	Note 5
2005/08	10	48,000	480,000	40,402	404,022	Bond conversion, 32,631,000 dollars	None	Note 6
2005/10	10	48,000	480,000	38,562	385,622	Treasury stock cancellation, 18,400,000 dollars	None	Note 7
2005/11	10	48,000	480,000	27,420	274,205	Capital reduction for cover accumulated deficits, 111,417,000 dollars	None	Note 8
2005/12	8	48,000	480,000	42,421	424,205	Capital Increased by Cash, private offered ordinary shares 15,000,000 shares 120,000,000 dollars	None	Note 9
2006/07	10	80,000	800,000	16,968	169,682	Capital reduction for cover accumulated deficits, 254,523,000 dollars	None	Note 10
2006/11	10	80,000	800,000	22,968	229,682	Capital Increased by Cash, private offered ordinary shares 6,000,000 shares , 60,000,000 dollars	None	Note 11
2010/02	14	80,000	800,000	37,968	379,682	Capital Increased by Cash, private offered ordinary shares 15,000,000 shares , 150,000,000 dollars	None	Note 12
2012/07	10	80,000	800,000	39,866	398,666	Capital increase by retained earning18,984,000 dollars	None	Note 13
2013/06	10	80,000	800,000	41,859	418,599	Capital increase by retained earning19,933,000 dollars	None	Note 14
2014/08	10	80,000	800,000	43,952	439,529	Capital increase by retained earning20,930,000 dollars	None	Note 15
2015/07	10	80,000	800,000	42,982	429,829	Cancel treasure stock 9,700,000 dollars	None	Note 16
2017/06	10	80,000	800,000	43,438	434,380	Convertible bond 4,551,000 dollars	None	Note 17
2017/12	10	80,000	800,000	44,379	443,799	Convertible bond 9,419,000 dollars	None	Note 18
2018/03	10	80,000	800,000	45,853	458,530	Convertible bond 14,731,000 dollars	None	Note 19
2018/06	10	80,000	800,000	46,123	461,239	Convertible bond 2,709,000 dollars	None	Note 20

2018/09	10	80,000	800,000	46,133	461,332	Convertible bond 93,000 dollars	None	Note 21
2020/12	10	80,000	800,000	46,731	467,311	Convertible bond 5,979,000 dollars	None	Note 22
2021/03	10	80,000	800,000	48,537	485,378	Convertible bond 18,067,000 dollars	None	Note 23
2021/06	10	80,000	800,000	48,974	489,738	Convertible bond 4,360,000 dollars	None	Note 24
2021/09	10	80,000	800,000	49,853	498,531	Convertible bond 8,793,000 dollars	None	Note 25
2021/12	10	80,000	800,000	50,193	501,930	Convertible bond 3,399,000 dollars	None	Note 26

Note 1 : Approved by FSC-SFB letter no.106166 on Jan.11, 2001.

Note 2 : Approved by FSC-SFB letter no.142968 on Jul.4, 2001.

Note 3 : Approved by FSC-SFB letter no.132474 on Jun.17, 2002.

Note 4 : Approved by FSC-SFB letter no.0920127738 on Jun.23, 2003.

Note 5 : Approved by FSC-SFB letter no.0930128780 on Jun.30, 2004.

Note 6 : Approved by FSC-SFB letter no.0920120687 on May 20, 2003. Conduct capital change registration every quarter.

Note 7 : Approved by FSC letter no.0940139239 on Sep.9, 2005.

Note 8 : Approved by FSC letter no.0940135003 on Sep.13, 2005.

Note 9 : Approved by TCOOC letter no.09419140910 on Oct.25, 2005.

Note 10 : Approved by FSC letter no .0950126721 on Jul.28, 2006.

Note 11 : Approved by TCOOC letter no.09585004510 on Nov.10, 2006.

Note 12 : Approved by TCOOC letter no.0993071321 on Mar.18, 2010.

Note 13 : Approved by FSC letter no.1010030338 on Jul. 10, 2012.

Note 14 : Approved by FSC letter no.1020024503 on Jun.25, 2013.

Note 15 : Approved by FSC letter no.1030034432 on Aug.27, 2014.

Note 16 : Approved by FSC letter no.1040027396 on Jul.14, 2015.

Note 17 : 2017 Q2 Convertible bond 455,097 shares, approved by letter no.10690963160 on Aug.24, 2017.

Note 18 : 2017 Q4 Convertible bond 941,906 shares, approved by letter no.10790798590 on Apr.3, 2018.

Note 19 : 2018 Q1 Convertible bond 1,473,090 shares, approved by letter no.10790856650 on May 24, 2018.

Note 20 : 2018 Q2 Convertible bond 270,958 shares, approved by letter no.10790967280 on Aug.24, 2018.

Note 21 : 2018 Q3 Convertible bond 9,236 shares, approved by letter no.10791076770 on Nov.23, 2018.

Note 22 : 2020 Q4 Convertible bond 597,893 shares, approved by letter no.11090812710 on Apr.07, 2021.

Note 23 : 2021 Q1 Convertible bond 1,806,693 shares, approved by letter no.11090879450 on May.24, 2021.

Note 24 : 2021 Q2 Convertible bond 435,998 shares, approved by letter no.11091007640 on Aug.25, 2021.

Note 25 : 2021 Q3 Convertible bond 879,255 shares, approved by letter no.11091129390 on Nov.24, 2021.

Note 26 : 2021 Q4 Convertible bond 339,876 shares, approved by letter no.11190823140 on April.14, 2022.

Apr.21, 2025 Unit: share

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Ordinary share	50,192,942	29,807,058	80,000,000	The Company's shares are listed in TPEX.

Note 1: Specify if the share is listed company at over-the-counter market.

## (II) Name of Major Shareholders: Top 10 sharehold holding the share over 5%

Apr.21, 2025 Unit: Share

Name	Share	Shares	Rate (%)
BVI Noble Link Management Ltd.		15,049,125	29.98 %
CTBC entrusted Noble Link Management Inc. Investment Account		3,320,775	6.62 %
YiCHia Investment		2,929,590	5.84 %
Lim, Jie-Ren		2,028,200	4.04 %

CTBC entrusted Lin, Jie-Min Investment Account	1,728,947	3.44 %
Hsueh, Hsiu-Chu	1,247,860	2.49 %
Tai, Chuan-Wen	420,000	0.84 %
Zhang, Li-Yuan	350,000	0.70 %
PENG, ZHI-XIONG	254,000	0.51 %
HE, YI-MEI	212,000	0.42 %

### (III) Company's dividend policy and its implementation

#### 1. Dividend policy stipulated in the articles of incorporation:

In case of any surplus in the Company's annual final accounts, the Company will pay taxes in accordance with the law, make up for the accumulated losses, and then set aside another 10% as a legal reserve. However, when the legal reserve has reached the paid-in capital of the Company, it may no longer be set aside, and the rest may be set aside or reversed to the special capital reserve according to the law. In the event of a balance and accumulated undistributed surplus, the board of directors shall prepare a proposal on surplus distribution and submit it to the shareholders' meeting for resolution on the distribution of dividends.

The Company's dividend policy, in line with the current and future development plans, considering the investment environment, capital requirements and domestic and foreign competition, and taking into account the interests of shareholders and other factors, shall allocate not less than 20% of the distributable surplus each year among shareholders. When distributing dividends to shareholders, they may be paid in cash or stock, with the cash dividends not less than 30% of the total dividends.

#### 2. The proposed dividend distribution at the current regular meeting of shareholders.

The Company's board of directors meeting on March 13, 2025 decided the following proposals for the distribution of earnings for 2024:

### Scan-D Corporation Distribution of earnings for 2024

Unit: NT\$

Item	Amount	
	Subtotal	Total
Undistributed earnings at the beginning of the period	137,892,170	
Plus: current after-tax surplus	80,409,774	
Less: Statutory surplus reserve	(8,040,977)	
Distributable surplus for the current period		210,260,967
Distribution items:		
Shareholder bonus (NT\$2.0er share in cash)	75,289,413	
Undistributed earnings at the end of the period	134,971,554	
Note: the calculation is based on the common shares issued on the previous day of the Company's board of directors meeting, i.e. March 12, 2025.		

#### 3. If a material change in dividend policy is expected, provide an explanation: None.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Unit: NT\$; stock

Item			Year	Year 2025 (forecast)
Initial paid-up capital			NT\$501,929,420	
The situation of share allotment and dividend payment this year (Note 1)	Cash dividend per share (NT\$)		NT\$1.5	
	The number of share allotments per share for recapitalization of retained earnings		0 stock	
	The number of share allotments per share for recapitalization of capital reserve		0 stock	
Change in business performance	Operating profit		The Company did not post financial forecast information in 2025, so it is not applicable.	
	Increase or decrease ratio in net operating profit year-on-year			
	Pre-tax profit			
	Increase or decrease ratio in pre-tax profit year-on-year			
	Earnings per share			
	Increase or decrease ratio in earnings per share year-on-year			
	Average annual return on investment (inverse of average annual PE ratio)			
Prepared earnings per share and PE ratio	Where recapitalization of retained earnings is reallocated to cash dividends	Prepared earnings per share		
		Prepared annual average rate of return		
	Where recapitalization of capital reserve is not handled	Prepared earnings per share		
		Prepared annual average rate of return		
	Where recapitalization of capital reserve is not handled and capital increase through capitalization of retained earnings is paid in cash dividends instead	Prepared earnings per share		

Note 1: Pending the resolution of the 2025 regular meeting of shareholders.

(V) Compensation of employees, directors:

1. The percentages or ranges with respect to employee, director, compensation, as set forth in the company's articles of incorporation:  
If the Company has earned a profit, no less than 4% of the profit shall be allocated to employees. The board of directors shall decide whether to distribute the remuneration in stock or cash to the company employees who meet certain conditions. The Company's board of directors meeting shall, by resolution, allocate not more than 2% of the profits to the directors. Employee remuneration and director remuneration distribution shall be reported to the shareholders' meeting. However, if the Company still has an accumulated deficit, the amount of compensation shall be retained in advance, and then the remuneration of employees and directors should be set aside according to the proportion noted in the preceding paragraph.
2. The basis for estimating the amount of employee, director, compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting

treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

In case of any discrepancy between the actual distributed amount and the estimated figure, it will be treated according to the change in accounting estimate and be adjusted and recorded in the next year.

3. Information on any approval by the board of directors of distribution of compensation:

- (1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The board of directors meeting on March 13, 2025 adopted the resolution of employee compensation and director compensation distribution for the year of 2024, and planned to distribute their compensation of 2024 to be NT\$4,463,547 and NT\$1,487,849 respectively, which would be paid in cash and submitted to the shareholders regular meeting of 2025 for deliberation.

- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: none.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

The Company allocated NT\$5,827,076 for employee compensation in 2023 and NT\$1,942,359 for director and supervisor compensation in 2023, which was not different from the recognition in the financial report in 2023.

(VI) Share repurchases: none.

II 、Information on the Company's issuance of corporate bonds : None.

III 、Issuance of Special shares : None.

IV 、Issuance of Overseas Depository Receipts : None.

V 、Issuance of Employee Stock Options : None.

VI 、Issuance of Employee Restricted Shares: None.

VII 、Status of New Shares Issuance in Connection with Mergers and Acquisitions : None.

VIII 、Implementation of Capital Utilization plan : None.

## IV 、 Operation Summary

### I. Business Activities

#### (I) Scope of Business

##### 1. Primary Business Activities

- (01) Manufacture of Furniture and Fixtures
- (02) Upholstery
- (03) Wholesale of Furniture, Bedding, Kitchen Equipment and Fixture
- (04) Wholesale of Construction Materials
- (05) Retail of Furniture, Bedding, Kitchen Equipment and Fixture
- (06) Retail of Construction Materials
- (07) Landscape and Interior Design
- (08) Wholesale of Precision Instruments
- (09) Wholesale of Telecom Instruments
- (10) Wholesale of Computer Software
- (11) Wholesale of Electronic Materials
- (12) Other Wholesale
- (13) Other Retail
- (14) Retail sale of Other Integrated
- (15) International Trading
- (16) Warehousing
- (17) Management Consulting
- (18) Software Design Services
- (19) Digital Information Supply Services
- (20) Product Design
- (21) Retail Sale No Storefront
- (22) All business that is not prohibited or restricted by law, except permitted business

##### 2. Revenue ratio

Unit: NT\$'000

Product Category \ Year	2024	
	Amount	%
Living room products	1,418,696	61.99%
Restaurant products	246,067	10.75%
Bedroom products	386,297	16.88%
Mattress	231,562	10.12%
Others	6,009	0.26%
Total	2,288,631	100.00%

##### 3. Current products and services offered by the Company

Household consumer products, mainly sales of furniture and home decoration products.

##### 4. Planned development of new products and services

- (1) Aggressive store expansion plan: Continuous development of sales points (new store) to improve market competitiveness and share.
- (2) Cultivation of own brands: In line with modern people's demand for home decoration, "Scanteak - feel at home" brand impresses consumers with its low-key and elegant style and fresh image, thus creating market differentiation and increasing its popularity and market share.
- (3) Strengthening product development: Apart from the original teak furniture products, the Company has strengthened the development of its sub-brand "Scan Living" and



peripheral home decoration products of its own brand to create business opportunities with reliability and high quality, and avoid falling into a price-cutting competition.

- (4) Development of marketing activities: In addition to utilizing the advantages of our existing physical stores with promotional activities, together with public relations, media and show biz operations, the efficiency and effectiveness of marketing activities can be enhanced while the scope of its business and profit can be expanded.

## (II) Industry Overview

### 1. Current Condition and Development of the Industry

Taiwan's furniture industry can be traced back to two woodworking machinery factories Kuang Jung and Sheng Feng producing woodworking machines in 1956. Since then, it has formally stepped from traditional manual manufacturing to modern mechanical manufacturing. With the development of semi-automatic scale production, the production scale of the furniture industry has gradually increased. Meanwhile, the government was undertaking a major economic construction program. With the increase of national income, the demand for wooden furniture and desks and chairs was on the rise as well. In terms of production, due to the modernization of the furniture industry, most of the products are manufactured and processed by continuous manufacturing and single product production lines, resulting in the increasing number of new types of factories, with the products mainly made of wood, bamboo and rattan.

From 1966 to 1975, Taiwan's furniture industry entered a period of rapid development and prosperity of export. At the same time, with the aid of the plywood industry, the furniture industry entered the next stage of mass production and export development. Automated production of plywood increased the supply of important raw materials for furniture, which not only raised the production of furniture but also reduced its cost, thus creating another boom in the furniture industry. At that time, some large-scale furniture factories began to export high-end furniture produced. For example, a Hong Kong-based teak company set up a factory at the Kaohsiung Export Processing Zone in 1967, while the Veterans Affairs Council also set up a plant in the same year to produce wooden furniture for export. The two factories above manufactured products in an automated way and their products were competitive internationally. In addition to earning a profit from export trade for the country, they also laid a foundation for Taiwan to become a furniture kingdom thereafter.

During 1976 and 1980, Taiwan's furniture industry entered a mature stage. In addition to the continuous expansion of the production scale of existing factories, new factories and the production capacity of newly established wood companies were also opened up successively, and the export of products reached a peak at the time. However, the domestic furniture industry gradually underwent an important shift in structure, while under international market disruptions, such as inflation and oil crisis, and the ban on exports from log exporting countries, resulting in a decline of Taiwan's mainstream wooden furniture, which in turn created the rise of metal furniture products.

From 1981 to 1990, Taiwan introduced the manufacturing technology of Japanese copper furniture, which started the development process of metal furniture. At first, some manufacturers cooperated with Japanese factories to produce office furniture, such as UB and AURORA. In 1988, the Forestry Bureau banned logging and the price of local timber soared to three times of imported timber. Since then, Taiwan wooden furniture manufacturers began to rely on imported timber from Southeast Asia. Meanwhile, China's low-priced wooden furniture was sold to Taiwan in large quantities, which affected the domestic wooden furniture market. However, due to the abundant supply of steel raw materials in Taiwan, the high degree of automation in factories and the ability of independent research and development, metal furniture performed well during the period. As domestic steel mills such as China Steel and Hualung and other companies continue to supply high-quality raw materials, Taiwan's metal furniture had considerable competitiveness in the international market.

Over the period of 1991 to 2012, the domestic furniture industry experienced a

breakthrough in transformation, with the business model gradually shifting from OEM to ODM. Office automation (OA) offers another long-term development opportunity for furniture products, characterized by limited production and diversification. In 1995, the Sakura manufacturer set up a system furniture factory in Taichung. The system furniture is intended for the overall planning and design of the interior space, where space can be utilized more effectively compared with traditional furniture. With the increase of national income, the system furniture began to shine in the furniture industry.

During the period, Taiwan's furniture industry was also facing such pressures as limited sources of raw materials, insufficient labor force, wage increase and appreciation of the Taiwanese currency, which had impacted our export market. Moreover, in emerging markets such as Malaysia, Indonesia and China, labor was cheap, and thus they had comparative advantages in production costs, so that the global market share of Taiwan's furniture was shrinking. In 1991, certain Taiwanese furniture manufacturers began to move out by transforming from the OEM model to self-owned brands, such as Legacy, a well-known American furniture brand acquired by Taisheng. Later, it acquired Universal, an American hotel furniture manufacturer, and set up factories in China, exporting products from China to the United States.

In the 1990s, as Taiwan gradually attaching importance to the quality of life, the chain furniture brand channel merchants focusing on the design concept and brand image began to enter the Taiwan furniture market. By selling single-brand products, they launched a series of design products. In addition, by utilizing brand power, they entered the consumer market and developed exquisite products with high added value and marketed the brand, including chain furniture brands like Scanteak, STRAUSS, and Order. With the rising consumption level in Taiwan, the demand for imported furniture was also increasing.

Large chain furniture outlets such as B&Q and IKEA expanded to Taiwan in the 2000s. They provided customers with DIY furniture and customized consulting services, which created a trend for DIY furniture and gained a share in the furniture market. In 2000, the scale of production and marketing of furniture manufacturing industry in Taiwan reached NT\$53.9 billion. However, the scale declined to only about NT\$35 billion by 2008. To avoid sinking deeper into a quagmire of low-price competition with other Asian countries, domestic furniture manufacturers began to focus on high-quality and high value-added furniture products to enhance their competitiveness.

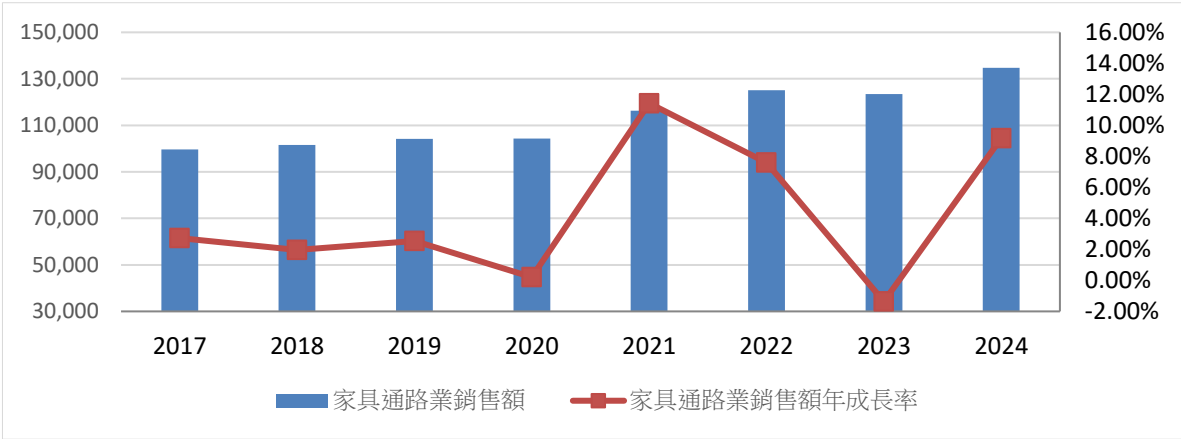
The impact of the financial crisis in 2009 and the overall economic downturn reduced spending power and willingness, resulting in a sharp decline of 19.27% in sales in the domestic furniture manufacturing industry from 2008 to 2009. In 2010, with the recovery of the economy, the overall furniture industry began to revive, driving the annual growth rate of Taiwan's furniture manufacturing output by 14.93%. Despite the unfavorable economic environment in Europe and the United States, the demand for housing renovation increased in 2011, which led to positive growth in the value of furniture production and sales, with an annual growth rate of 1.21%. In 2012, the domestic economic growth was weak while the housing market slightly recovered. In addition, domestic manufacturers actively establish OEM and ODM relationships with international furniture giants. Under the growth of export value, the annual growth rate of the overall sales value maintained a growing trend.

In 2013, as the number of real estate projects in the nation continued to rise while green and eco-friendly building materials were promoted worldwide, domestic furniture manufacturers continuously launched featured products to enhance their competitiveness and attractiveness, including green furniture, natural furniture and quality furniture. In addition, relevant companies actively cooperated with large European brand furniture companies to increase product competitiveness and support the sales growth of the furniture industry. In 2015, the Central Bank of Taiwan and the Financial Supervisory Commission increased and investigated taxes on the housing market, which cooled off the transaction in the market and slightly affected the demand for furniture following the

purchase of new houses. In recent years, the overall sales market of Taiwan's furniture industry has maintained a stable level of between NT\$90 billion and nearly NT\$120 billion. Except for the annual decrease of 9.12% affected by the global financial crisis in 2009, the overall market has presented a pattern of small or steady growth and became to level off year by year. In 2024, the total sales volume of Taiwan's furniture industry was NT\$ \$134.8 bilion, and the overall furniture market without bedding was nearly NT\$100 billion, which was mature and stable

Sales and annual growth rate of Taiwan furniture industry from 2017 to 2024

Unit: NT\$ million



Note: Classified according to the taxation standard of the ROC. The furniture industry includes domestic furniture, imported furniture, and kitchenware.  
Source: Ministry of Finance statistical database.

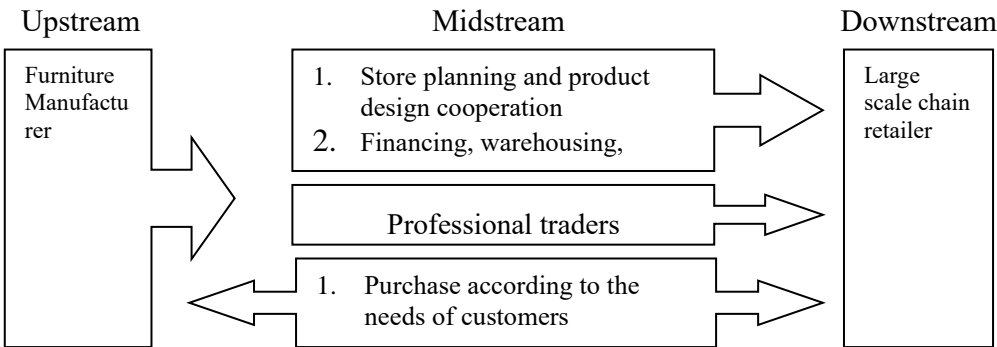
Since 2013, there has been a significant change in furniture sales channels, from the traditional furniture stores and furniture streets to large shopping malls and integrated furniture marts.

In addition, large furniture manufacturers, such as the chain furniture industry, have begun to upgrade their logistics and warehousing capabilities and build logistics centers, which assisted Taiwan's furniture industry, which is in a mature market, in enhancing its competitiveness.

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

The furniture industry is a process in which the upstream manufacturers acquire raw materials for processing and manufacturing. Midstream agencies, such as traders, agents and wholesalers, then carry out trading and import and export business. Finally, the product is sold to the end-consumers through physical channels such as furniture stores, department stores, brand chain stores or online platforms. SCAN-D is primarily engaged in the operation of chain furniture stores, providing the sales and services of teak furniture, bedding, kitchen appliances, and other products. It is also the end of the channel that faces consumers directly in the circulation of commodities, which is at the downstream of the furniture industry chain.

The business relation diagram of the industry is illustrated as follows:



### 3. Product development trends and competition

- (1) Scale, specialization and branding of furniture enterprises: large enterprises and well-known brand enterprises are driving the development of the industry, with a number of outstanding featured products and well-known brands.
- (2) Furniture enterprise clustering: clustering will advance specialized division of labor and cooperation, promote industrial restructuring and product upgrading.
- (3) Innovative marketing strategy: As consumers pay more and more attention to shopping feeling, the Company reduces the stress of consumers entering the market by organizing casual and low-involvement marketing activities. In addition, it creates experiential marketing for customers with additional products and services, provides aesthetic, sensory and infectious creative association, and brings consumers a fresh feeling with the leisure family form of Scan Living.
- (4) International, professional and large-scale furniture exhibition: Driven by large-scale exhibitions, China will become the world's furniture purchase center.

### (III) Technology and R&D Overview

1. R&D expenditure in the most recent year up to the publication date of the annual report: The Company is a furniture chain operator. Despite not having a dedicated R&D unit, the Company's marketing department has invested considerable human resources and costs over the years in planning marketing strategies and advertising to meet the needs of consumers.
2. Technologies or products that have been successfully developed in the most recent year up to the publication date of the annual report.

As the Company focuses on imported furniture sales, there is no dedicated R&D unit. However, in order to cope with the rapid changes in the market and the increasingly fierce competition, so as to improve the Company's competitive advantage and operating performance, since April 2010, the Company has obtained the authorization of "Scanteak" brand and formally plunged into the furniture chain store business. In April 2012, a sub-brand of "Scanliving" was established. The two brands of Scanteak and Scan Living cooperated with different companies and teams in Europe to introduce new and premium furniture for Taiwanese consumers. Scan Living has signed a contract with brand CS Schmal under the Nolte Group, Europe's largest system panel furniture manufacturer, and has officially become the sole agent of the Nolte Group in Taiwan. Scanteak and Outofstock, a multi-cultural design team, jointly launched the PROLOGUE series furniture. PROLOGUE is highly praised for its design-inspired lifestyle. After winning the 2015 Good Design Award in Singapore and Japan respectively, it was awarded the highest honorary Presidential Design Award in Singapore. This has provided the largest momentum for SCAN-D to innovate.

### (IV) Long-term and short-term business development plans

In order to cope with the future industry trend and the overall economic environment and trend, the Company draws up various plans and comes up with the future business direction so as to enhance its competitiveness. The Company's short and long term business plans are summarized as follows:

#### 1. Short-term plan:

- (1) Expand the potential consumer market through different brand channels.
- (2) Make good use of channel advantages to act as an agent for international boutique furniture, with multi-brand strategy management.
- (3) Strengthen diversified marketing activities to stimulate purchase power.

#### 2. Long-term plan:

- (1) In response to the rise of the Chinese market and ASEAN, it is expected to expand the furniture chain outlet business in China and ASEAN at an appropriate time, with

a hope to integrate the upstream and downstream resources through the experience of developing brand channels in Taiwan, so as to become an international furniture manufacturer.

- (2) A new SCAN-D membership system is being planned to strengthen customer relationship management (CRM) and customer loyalty, enhance the service mechanism of business bases, and develop different age groups of consumers.

## II. Market, production and Sales Overview

### (I) Market Analysis

#### 1. Places of sales (provision) of major commodities (services)

Unit: NT\$'000

Item		Year		2023		2024	
				Sales Amount	Percentage of revenue %	Sales Amount	Percentage of revenue %
Distribution Region	Internal sales			1,525,877	64.77	1,539,377	67.26
	External sales			829,943	35.23	749,254	32.74
	Hong Kong/China			-	-	-	-
	US/Germany			-	-	-	-
	Others			-	-	-	-
	Other operating revenue			-	-	-	-
	Total			2,355,820	100.00	2,288,631	100.00

#### 2. Market share

Taiwan's furniture industry is mainly divided into two systems: the manufacturing industry and the service industry. The manufacturing industry is export-oriented while the service industry is mainly domestic retail. According to the Report on Import and Export of Furniture in Taiwan in 2023 by the Taiwan Furniture Manufacturers' Association, the total import of furniture in Taiwan in 2023 was valued at about US\$803 million while the Company accounting for about 3.10% of the total import. According to the statistical database of the Ministry of Finance, the sales volume of Taiwan's furniture industry in 2024 was NT\$134.8 billion while the Company accounting for about 1.14% of the total sales.

#### 3. Future supply, demand and growth of the market

##### (1) Future supply and demand

A furniture retail chain, the Company focuses on developing the Scanteak brand. In the past, Taiwan's main sales outlet was the furniture street formed by the "single-store market." In response to the changes in consumers and the market, the Company has gradually transformed into Specially Stores, design exhibition hall or chain stores, while the furniture products shifted from being made domestically to imported furniture. In the future, the channel moded of traditional furniture markets is expected to gradually replaced by large-scale furniture chains with high reputation and service orientation.

##### (2) Future growth of the industry

According to the analysis of the global furniture market, after the signing of AFTA and ECFA, China has become a huge potential market. In addition, Southeast Asia, as a well-known furniture manufacturing center in the world, has also become a stage where the global furniture industry is scrambling to invest in. SCAN-D has been operating brand and developing sales channels in Taiwan for many years, accumulated enough experience and energy to enter the furniture chain store business in mainland China and Southeast Asia. Through integrating upstream and downstream resources, the Company has expanded cross-strait furniture chain business with a view to becoming an international furniture manufacturer. However,

in the domestic market, there is still no brand manufacturer with a heavy market share, with considerable room for growth. By understanding customers and paying attention to the direction of government policies, we will strive to pursue the growth and development of our operating results and establish an optimized sales system. In the future, Scan-D will base itself in Taiwan and enter the Chinese and ASEAN markets, expanding its vision to the globe as its corporate vision.

#### 4. Competitive niche

##### (1) Quality assurance

The Company's products are subject to strict quality inspection from material selection to furniture design and production, so as to ensure that the goods delivered to customers are high-quality finished products. From furniture raw materials, joints, accessories to final decoration, we pay attention to every detail. With a product warranty card system and 0800 free customer service hotline, we are dedicated to solving problems for our customers, achieving the goal of "customer first, service from the heart." We will ensure that the Scanteak brand is striving for excellence and bring the best products and services to our customers.

##### (2) Cost advantage

Through the integration of professional purchasing teams with the global supply chain, coupled with an optimized logistics planning and warehousing management system, inventory cost can be effectively reduced and the competitive advantage can be enhanced.

##### (3) Value of the channel

We have more than 90 physical stores in Taiwan, all of which are operated under the direct operation model. At the convergence of transportation systems, they have an absolute competitive niche in marketing activities, retail displays, and customer service.

##### (4) Brand image

SCAN-D has won many awards over the past years, including Singaporean potential brand award, super brand award, Singaporean city business district brand SPBA (Citibusiness-SPBA) award and was presented with the Golden Merchants Award for Outstanding Foreign Firm by the General Chamber of Commerce of Taiwan in 2006 and 2011. Moreover, in the "Household Brand" market survey conducted by a well-known magazine, the Company won the first place in the 2009 survey of ideal brands/well-known brands of 60 leisure furniture, and second place in the 2010 and 2011 surveys of well-known brands of furniture and professional awards. In 2012, it was regarded as one of "200 Best Small and Medium-sized Enterprises in Asia in 2012" by Forbes magazine. Every piece of furniture has obtained quality assurance. It is a trustworthy and high-quality brand in the heart of consumers. In 2015, Scanteak and Outofstock, a multi-cultural design team, jointly launched the PROLOGUE series furniture. PROLOGUE is highly praised for its design-inspired lifestyle. After winning the 2015 Good Design Award in Singapore and Japan respectively, it was awarded the highest honorary Presidential Design Award in Singapore. This has provided the largest momentum for SCAN-D to innovate.

#### 5. Favorable and unfavorable factors and responding measures for prospects of development

##### (1) Favorable factors

- a. The brand's orientation is clear as our core team has many years of sales experience. We have a flexible grasp of market dynamics and business management capabilities. Under the leadership of an elite team, Scan-D is able to perform well during difficult times.
- b. Scan-D is people-oriented, understands the importance people attach to "home" and their desire for a comfortable and stable home environment. From product material, service attitude, size measurement, space design, decoration and quality of life, each retail staff understands customer preferences and actual needs and leads them

to feel the carefully created warmth of the atmosphere.

- c. To facilitate flexible dispatch and distribution of goods, large-scale transshipment and warehousing units were established in northern and central Taiwan. In addition to effectively shortening the logistics time, risk diversification can be achieved.
- d. Long-term cooperation with overseas suppliers, quality and stable supply and strong bargaining power reduce the cost relatively, which is also the Company's competitive advantage in the furniture industry.
- e. We have more than 90 physical stores in Taiwan, all of which are operated under the direct operation model. At the convergence of transportation systems, they have an absolute competitive niche in marketing activities, retail displays, and customer service.

(2) Unfavorable factors and response measures

Unfavorable Factors	Response measures
Global recession and slowdown of the domestic economic growth.	Maintain growth despite the economical decline. The Company increases the number of customers and purchasing opportunities by expanding branch stores, using creative marketing ideas and creating atmosphere at store displays
Competition in the industry is intense, other than bricks and mortar the large retail chain stores have brought on major impact. In addition, low priced furniture imported from China had expanded its market share rapidly and resulted in a price-cutting competition in the furniture industry.	Enhance consumer recognition by establishing brand image and strengthening various marketing strategies. Actively develop peripheral soft products, increase product diversification and uniqueness to drive the development of potential markets.
The furniture industry sells semi-durable goods and involves a wide range of products.	The Company analyzes and understands the diversity and rapidly changing needs of consumers and communicate deeply with consumers through innovative marketing strategies and brand image. The Company strengthens customer relationship management, establishes a loyal and stable customer base, and improves customer return rate by adhering to its brand spirit and value recognition.

(II) Important use of the main products and production process

1. Important use of the main products

- (1) Furnitures: Mainly sells general home living products and furnitures. Such as tables, chairs, couches, bedframes, mattresses, closets, dressers and couch cover.

2. Production Process : Not Applicable. (The company is not a manufacturer)

(III) Supply of major materials : Not applicable. (The company is not a manufacturer)

(IV) The name of the manufacturer (customer) and the amount of the import (sales) and the proportion of the increase and decrease of the manufacturer (customer) in the previous year or the previous year.

1. Name of the manufacturer who accounted for more than 10% of the total purchase in any of the past two years

Unit: thousand dollars

Item	2023				2024				As of 2025 latest quarter			
	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer
1	L	79,725	10.55	None	L	84,335	9.39	None	L	18,438	8.61	None
2	H	44,063	5.83	None	N	83,340	9.28	None	N	14,548	6.79	None
3	M	39,802	5.27	None	M	63,664	7.09	None	M	13,566	6.33	None
	Others	592,082	78.35	None	Others	667,055	74.24	None	Others	167,718	78.27	None
	Total	755,672	100.00		Total	898,394	100.00		Total	214,270	100.00	

Note 1: List the names of suppliers who account for more than 10% of the total purchases in the last two years, as well as the purchase amount and proportion. However, because the contract stipulates that the name of the supplier shall not be disclosed or the transaction object is an individual and not a related person, it may be a code name.

Note 2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

Note 3: Reasons for increase or decrease: The increase or decrease in the purchase amount is due to fluctuations in the revenue of the store.

2. Name of the manufacturer who has accounted for more than 10% of the total sales in any of the past two years: none.

### III 、Employees' information on the number of employees, average years of service, average age and academic distribution ratio of employees in the last two years and up to the date of publication.

Year		2023	2024	As of Mar.31, 2025
Number of Employees	Management	40	43	45
	Technician	49	43	43
	Staff	255	260	260
	Total	344	346	348
Average Age		42.60	44.10	44.67
Average Years of Service		5.79	6.13	6.16
Education	Ph.D.	0.00%	0.00%	0.00%
	Masters	2.33%	2.60%	2.59%
	Bachelor's Degree	51.74%	49.42%	50.29%
	Senior High School	39.53%	42.20%	41.09%
	Below Senior High	6.40%	5.78%	6.03%



## IV 、 Environmental Expenditures Information

1. The explanation of application, payment or establishment of applying pollution facility installation permit or pollution discharge permit or the payment of pollution prevention fee, or the establishment of personnel of environmental protection unit in accordance with the provisions of the law:  
The company mainly operates the sale of furniture, home decoration products instead of manufacture; accordingly, it is not applicable.
2. The investment, usage and benefits that may possibly create of the essential equipment of the environmental pollution prevention:  
The company mainly operates the sale of furniture, home decoration products instead of manufacture; accordingly, it is not applicable.
3. For the recent two years as of the date of the public issuance of handbook had been printed, the process of improving environmental pollution by the company, its dealing process of the pollution dispute, and the explanation of its dealing process: None.
4. Explain for the recent two years as of the date of the public issuance of handbook had been printed, the total amount of loss (including compensation) suffered by the company due to environmental pollution, and the disclosure its future responsive strategy (including improvement measure) and possible expenditure (including the possible loss, disposal and the estimated amount of compensation when not taking responsive strategy. If it fails to reasonable estimate, it shall explain its fact of the failure of the reasonable estimation): None.
5. Explain the impact on the company's earnings, competitive position and capital expenditure of the current pollution situation and its improvement, and the significant environmental capital expenditure for the upcoming two years: None.

## V 、 Labor and Management Relation

### (I) The company's employee's welfare measure, further studying, training, retirement system and their implementation, and the agreement between the management and the labor, and the maintenance measures of the employee right:

1. The employee's welfare measures and their implementation:  
In addition to the provision of labor insurance and National health insurance for employees, the Company also organizes employee travel and body checks bonuses, talent referral bonuses, clothing allowance, mobile phone bill subsidy, employee shopping privileges from time to time. In addition, in accordance with the relevant laws and regulations, an employee welfare committee is established to implement various welfare measures, such as birthday vouchers, New Year's Day vouchers, subsidy for employee wedding and funeral, and year-end bonuses depending on the Company's earning at the end of the year.
2. The further studying and training implementation of the employee:  
The Company conduct staff training every year to enhance the professions of the staff.
  - (1) The training of the recruit: To make the recruit thoroughly understand the operating concept, association overview, articles system, and the future development of the company, expect that the new recruit can adapt to the working environment as soon as possible, and plan the educational training at the beginning period.
  - (2) Internal training: The personnel of the management department arranges a time, course content, lecturers hiring, selection or designation trainees according to the training needs,

training in the company or being internally trained by the operation department manager by organizing the new product knowledge and sales skills of the store personnel.

- (3) External training: Refers to the company designation or individual application approved by the nuclear authority, to attend the seminar of the enterprise management company, academic research, vocational training, and other institutions outside of the company.
- (4) The execution of 2024 employee's educational training

Unit: People/NT\$

Training Category	Total Hours	Number of Trainees	Training Cost (NTD)
Sustainability and Workplace Safety Training	3,545.5	1,527	137,888
Customer Relations and Management Training	1,638.0	597	50,000
Professional Skills Training	100.0	16	37,600
Information Security Training	538.0	260	-
Total	5,821.5	2,400	225,488

### 3.Retirement System:

To ensure a stable retirement life of our employees, the Company contributes 6% to the personal pension account of the Bureau of Labour Insurance in accordance with the Labour Pension Act. In accordance with the above regulations, the Company recognized an expense of approximately NT\$11,372,000 in 2024.

### 4.The agreement between the labor and the management

The company attaches great importance to the colleague's opinions, irregularly holds the meeting of the labor and the management communication, invites the representative of both sides to participate and encourages the colleague to suggest in order to understand their opinion to the management and the welfare system, which can be the reference of the improvement. Accordingly, the relation between the labor and the management is harmonious so far, there is no Arbitration cases or the need of coordination of the relation between the labor and the management.

### 5.The employee's behavior or code of ethics:

#### (1) The working rules of the employee

The employees of the company shall take the maintenance of the company's development, the welfare of all employees as the highest purpose, and jointly comply with the following working ethics codes:

- 1.1 Be impartial and respect others, treats others with sincerity to cooperatively reach the operating purpose of the enterprise.
- 1.2 Obey the command and supervision of every managerial officer.
- 1.3 Daily behavior shall be honest, and with integrity, there must not have any dissemination of false words, negative messages, gambling, etc., which would harm the reputation of the company.
- 1.4 During the tenure, shall not operate privately or concurrently with duties outside the company.
- 1.5 The operational or technical confidential information of every department (unit) shall not be public disclosed.
- 1.6 Do not discuss the company's secret or privately collect the company's confidential information.
- 1.7 The colleague shall not disclose the business secret to other colleagues that are not involved in the program or project.
- 1.8 Do not arbitrarily skim through the documents, design pages, information that does not belong to you.
- 1.9 Shall value every public properties and shall not waste them.

- 1.10 Executing duties with certainty and without fear, avoidance, or unreasonable postponement.
- 1.11 Based on the necessity of enterprise operation, the company shall comply with the provisions of the laws or assists with the adjustment of the employee's duties. Every colleague shall obey the company's adjustment and dispatch, shall not find any excuse for refusal.
- 1.12 During the working hours, the employee shall not leave the office without approval. If it is necessary to meet guests due to important incidents, then shall meet at the designated location.
- 1.13 The employee shall not enter the prohibitive area with warning sign without permission.
- 1.14 The employee shall not bring out public property without written permission.
- 1.15 The employees are not allowed to carry dangerous goods such as knife, gun, gasoline, and alcohol, etc., contraband and items not related to business official duties and enter the office area and the warehouse, etc.
- 1.16 The employees are obliged to attend the assembly that the unit or company requests to participate in order to obtain the corporate policy, announcement, supervisor report, contact or other matters of the unit or company.
- 1.17 Do not personally disclose any information of the company to mass media or any social media without the company's approval.
- 1.18 The colleague shall not bring any information of the original serving company to the company.

## (2) Sexual Harassment Prevention Operation Management Principles

To maintain gender equality and personal dignity, and to provide employees with a working environment free from sexual harassment and gender discrimination, the company has established these measures in accordance with the Sexual Harassment Prevention Act. The company organized sexual harassment prevention management educational training during the training of recruits, and informed employees of the "sexual harassment prevention and grievance procedures," in the hope that all employees will understand and comply with the provisions of these measures.

### 6. The measures of the employee's right maintenance:

To protect the rights of the colleagues, improve the life of the colleagues, and enhance the channels of labor and management communication, the company established a labor and management committee according to law, and coordinated matters related to strengthening labor and employment cooperation, improving working conditions and membership benefits.

### 7. The Protection Measures of Working Environment and Personal Satiety of the Employee:

The Company is committed to upholding safety and health policies, assisting our colleagues in developing accurate concepts, and promoting both physical and psychological well-being. The measures we have implemented include corporate social responsibility, ensuring employee safety and health, and providing a safe and comfortable working environment. We actively promote occupational safety.

#### 1. Provide insurance coverage for employees, conduct health examinations, and establish the Employee Welfare Committee

The Company provides its employees with labor insurance, National Health Insurance, and employer liability insurance, while also complying with laws and regulations by conducting employee health examinations. Additionally, the Company offers health education resources on an ad hoc basis and prioritizes employee well-being, as well as continuously fostering a safe and healthy working environment. To further enhance employee welfare, the Company has established the Employee Welfare Committee responsible for managing various welfare matters, including marriage and funeral subsidies, illness condolences, and emergency assistance, thereby ensuring that employees receive appropriate care and support.

#### 2. Enhance occupational safety and health education to reduce potential risks in the workplace

The Company is equipped with occupational safety and health personnel as mandated by

regulations. Regular occupational safety education and training sessions are conducted, along with air quality testing in the working environment. Additionally, the filters of water fountains are replaced periodically, and cleaning and maintenance are executed. The water storage tanks and cooling towers of the air conditioning system are also cleaned to ensure that employees have a healthy working environment.

3. Promote fire safety measures and conduct regular drills to ensure the effective implementation of disaster prevention and response strategies

The Company conducts inspections and reports on fire safety equipment in accordance with regulations and has established relevant fire safety plans and measures. Based on the self-defense organization method, teams for firefighting, security, communication, and medical assistance have been formed, and regular drills are conducted to ensure response capabilities.

4. Stringent access controls are implemented to ensure the security of the office area

The Company strictly regulates employee and authorized personnel access to ensure that entry to various office areas is based on proper authorization. All workplaces are equipped with comprehensive access control monitoring systems, and the Company collaborates with professional security firms to provide 24-hour monitoring and patrolling services. Also, we conduct regular inspections of safety equipment to enhance the safety of personnel and property within our factory and retail locations, thereby ensuring a secure working environment.

(II) For the recent year as of the date of the annual report had been printed, the loss of the company caused by the labor-management disputes, the estimated amount of possible occurrence currently and in the future and its responding measure: None.

## VI 、 Cyber Security Management :

(I) The Company's cyber security risk management structure, cyber security policy, specific management plan, and resources invested in cyber security management are as follows:

### 1. Framework for Managing Cyber Security Risks:

As internet technology rapidly advances, the threats to internet security are also increasing. To ensure the effective operation of the Company's operation and important information systems, we have an information unit that is responsible for planning, implementing, and promoting information security and management. Additionally, we actively promote awareness of information security and collaborate with the Company's audit unit to conduct regular audits of cyber security on an annual basis.

### 2. Policy on Cyber Security:

The Company strictly adheres to government regulations and provisions regarding information security management. We continuously collect and analyze the latest information security regulations in order to develop or revise relevant management policies.

### 3. Specific Management Plan:

#### (1) System Access Control

- a. To access the various application systems within the Company, an application process is required. Once approved by the supervisor, the information unit will create an account for the user to access.
- b. Passwords must be a combination of letters and numbers and meet the required length.
- c. When colleagues leave the company or are transferred, the information unit will be contacted to deactivate or change the accounts of each system.

#### (2) Ensuring System Availability

- a. To ensure redundancy, we establish a data backup system and regularly store a copy of

the daily backup data in the company's safe and another copy in an off-site location (safe in the farmers' association) for mutual backup.

b. Perform regular disaster recovery drills to restore backup data to the system host, ensuring the availability of the backup data.

(3) Join the Taiwan Computer Emergency Response Team/ Coordination Center(TWCERT/CC) to gain access to the latest cyber security information, understand cyber threats and technologies, and develop relevant strategies to mitigate information security risks.

4. Resources invested in Cyber Security Management:

(1) Implement firewall technology to prevent external attacks; strengthen network firewall and network control to prevent viruses or worms from spreading across computers.

(2) Establish endpoint anti-virus measures to prevent computer viruses and malware intrusion.

(3) The Company is continuously evaluating the implementation of appropriate protective software and hardware equipment in response to changes in cyber security.

(II) Losses suffered due to significant cyber security incidents, possible impacts and countermeasures for the most recent year and as of the publication date of the annual report: None.

## VII 、Major Contract :

Agreement	Counterparty	Period	Major Contents	Restrictions
Brand License	Hawaii Furnishing Pte Ltd.	2010/04/01   2040/03/31	Acquire the right of using SCANTEAK to operate business	Territory: Taiwan
Trademark License	Lim, Pok-Chin	2010/04/01   2040/03/31	Trademark right of use of SCANTEAK	Territory: Taiwan

## V、Review of Financial Conditions, Financial Performance, and Risk Management

### I、Analysis of Financial Status

Unit: thousand dollars

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	909,440	1,020,255	(110,815)	(10.86)%
Long-term Share Right Investment	-	-	-	-
Fixed Assets	1,222,290	795,491	426,799	53.65%
Other Assets	1,517,756	1,629,816	(112,060)	(6.88)%
Total Assets	3,649,486	3,445,562	203,924	5.92%
Current Liabilities	969,591	947,776	21,815	2.30%
Other Liabilities	-	-	-	-
Long-term Liabilities	1,358,462	1,168,683	189,779	16.24%
Total Liabilities	2,328,053	2,116,459	211,594	10.00%
Paid in Capital	501,930	501,930	-	-
Capital Reserve	292,923	292,923	-	-
Legal Reserve	274,692	264,185	10,507	3.98%
Special Capital Reserve	-	-	-	-
Undistributed earning	218,302	248,785	(30,483)	(12.25)%
Adjustment	29,537	17,665	11,872	67.21%
Shareholders equity	1,321,433	1,329,103	(7,670)	(0.58)%
<p>1、Reasons, impact and future plans for changes of more than 20% or over NT\$10,000,000 in assets, liabilities, and shareholding for the past two years:</p> <p>(1) Fixed assets: Primarily attributed to the acquisition of land for warehouses in Tainan.</p> <p>(2) Long-term liabilities and total liabilities: Primarily incurred for the purpose of borrowing to purchase land for warehouses in Tainan.</p> <p>(3) Adjustment : Mainly due to exchange rate changes rate of the Singapore currency.</p> <p>2、Review and analysis of major capital expenditure and its sources of funding: none.</p>				

## II 、 Financial Performance

### (I)Results Comparison

Unit: thousand dollars

Item \ Year	2024	2023	Variance	%
Operating revenue	2,288,631	2,355,820	(67,189)	(2.85)%
Operating cost	1,007,510	1,078,411	(70,901)	(6.57)%
Unrealized/realized profit between affiliated company — net	-	-	-	-
Gross Profit	1,281,121	1,277,409	3,712	0.29%
Operating expense	1,170,701	1,133,641	37,060	3.27%
Operating net profit	110,420	143,768	(33,348)	(23.20)%
Non-operating expenses and losses	31,559	30,097	1,462)	4.86%
Non-operating expenses and losses	(49,790)	(40,551)	(9,239)	22.78%
Income Before Income Tax from Continuing Operations	92,189	133,314	(41,125)	(30.85)%
Tax expense/interest	(11,476)	(29,849)	18,373	(61.55)%
Net profit for this term	80,713	103,465	(22,752)	(21.99)%
<p>1 、 Reasons for changes in the amount of more than 20% or over NT\$10,000,000 for the past two years:</p> <p>(1) Net profit from operations: Mainly due to a decrease in revenue and increased expenses.</p> <p>(2) Profit before tax and net profit from continuing operations: Same as Note 1.</p> <p>(3) Income tax (expense) benefit: Mainly due to decreased profits.</p> <p>(4) Net profit for the current period: Same as the description in 1.</p> <p>2 、 Reasons for changes in the Company's primary business:</p> <p>Not applicable.</p> <p>3 、 The expected number of sales in the coming year and its basis and the company's expected sales volume to continue to grow or decline in the main impact factors: not applicable</p>				

### (II) Operating Section Financial Information

Provides information to key operational decision makers on the allocation of resources and evaluation of departmental performance, focusing on the types of products or services that are delivered or provided.

### III 、Cash Flow

#### (I) Results Comparison

Unit: thousand dollars

Item \ Year	2024	2023	Variance	%
Operating Activities	365,359	546,038	(180,679)	(33.09)%
Investment Activities	(445,857)	(475,121)	29,264	6.16%
Funding Activities	(65,947)	(107,143)	41,196	38.45%
Exchange effect	3,173	3,131	42	(1.34)%
total	(143,272)	(33,095)	(110,177)	(332.91)%
Analysis Instructions:				
1 、 Decrease in cash inflows from operating activities compared to the previous period: Mainly due to lower revenue, higher expenses, and strong inventory clearance last year, There is an increased cash inflow.				
2 、 Decrease in net cash outflows from financing activities compared to the previous period: Mainly due to lower dividend payouts this year compared to last year, resulting in increased cash inflows.				

#### (II) 2-Year Currency Analysis

Item \ Year	2024	2023	%
Cash flow ratio (%)	37.68	57.61	(34.59)%
Cash Flow Adequacy Ratio (%)	197.42	183.96	7.32%
Cash Re-investment Ratio (%)	8.33	12.57	(33.73)%
Analysis of the change in proportion of increase or decrease shows:			
1 、 Decrease in the cash flow adequacy ratio: Mainly due to the effective turnover of inventory in last year, resulting in higher cash flow from operating activities than that of this year.			
2 、 Decrease in the cash reinvestment ratio: Mainly due to the effective turnover of inventory in last year, resulting in higher cash flow from operating activities, which makes the amount that can be used to invest higher. Therefore, the ratio of last year is higher.			

#### (III) Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
214,154	380,800	369,400	225,554	-	-
1 、 Analysis of changes in cash flows: Operating activities: Mainly due to net cash inflows from operating activities in 2025. Annual cash outflow: Mainly due to expected cash dividend payments and rent expenses.					
2 、 Remedial measures and liquidity analysis for the expected cash deficiency: None.					

IV 、 Impact of Significant Capital Expenditures in the Most Recent Year on the Financial and Operating Conditions of the Company: None.

V 、 Reinvestment Policy of the Most Recent Year, Reasons for Profit (Loss), Improvement Plan and Investment Plan for the Following Year: None.



## VI 、 Analysis and Evaluation of Risk Factors in the most recent year and as of the published date of the annual report:

### (I) The impact of interest rate, exchange rate, and inflation on the company's profits and losses and its future responding measures:

#### 1. The impact of interest rate, exchange rate, and inflation on the company's profits and losses and its future responding measures:

##### (1) The impact of interest rate on the company's profits and losses and its future responding measures

The 2024 interest expenses accounted for 61.69% of the net profit in the period, which did not significantly affect the company's profit and loss. The company mainly operated with its funds and has a good credit interaction relation with the bank. In the future, the company will continue to pay attention to the alteration of the interest rate as well as the trend of global economic development, and actively strive for the lowest interest rate with the cooperative bank, timely adopt necessary measures to avoid the risk of the rising interest rate.

##### (2) The impact of exchange rate on the company's profits and losses and its future responding measures

The 2024 exchange profit accounted for -2.37% of the net profit for the period. The company adopted the principle of stability and conservativeness for the management of foreign exchange, collect the relevant alteration information of the exchange rate, determine the foreign exchange time to lower the impact of the exchange rate alteration on the company's revenue. The company will engage in financial derivatives merchandise to avoid the risk caused by the alteration of the exchange rate when necessary.

#### 2. The impact of inflation on the company's profits and losses and its future responding measures:

##### (1) The impact of inflation for the recent two years on the company's profit and loss

So far, there are any significant impact on the company's profit and loss due to the inflation.

##### (2) Future responding measure

In recent years, due to the rising price of the raw materials, the overall economic environment becomes slightly inflationary; yet, there has not been immediate significant impact on the company due to the inflation so far, and the company has always paid attention to the fluctuation of the price at the raw material market and has maintained a good interaction relation with the supplier and the customers. In addition, the company can flexibly adjust the price according to the cost change of the supplier, accordingly, avoiding the massive impact of the inflation on the company.

### (II) The main reason of the policy, profit, or loss of engaging in high-risk, high-leverage investment, loaning funds to others, the endorsement/guarantee, and the financial derivatives transactions and their future responding measures:

1. Engage in high-risk, high-leverage investment: None.

2. Loaning funds to others: None.

3. The endorsement/guarantee: None.

4. Financial derivatives transactions: None.

5. The company's policy: The company focuses on the operation of the relevant service business of retail chain; therefore, it did not engage in high-risk and high-leverage investment. To effectively control the special matters caused by the physical business demand, the company, in accordance with the provisions of the law of the Securities & Futures Institute, established a completed internal management regulation and the operational procedures of the financial and operational practice. The relevant management regulations including the "Operational Procedures for Loaning Funds to Others," the "Procedures for Acquisition or Disposal of Assets," and the "Procedures and Principles of Governing the Endorsement/Guarantee."

### (III) Future research and development plan and estimated investing expenses in research and development: None.

(IV) The impact of the change of important policies at home and abroad as well as the laws on the company's financial business and its responding measures:

There is no impact of the change of important policies at home and abroad as well as the laws on the company's financial business. In the future, in addition to irregularly collecting and evaluating the impact of the change of important policies at home and abroad as well as the laws on the company's finance and business, the company will also seek for consult the relevant experts to thoroughly control the external information and timely adopt responding measures.

(V) The impact of technological changes (including information security risks) and industry changes on the company's financial business and its response measure:

1. The company keeps abreast of the change of its industry and the market trend, and pay attention to related technique development and alteration, understand the preference of the consumers to introduce the products that correspond with the public market trend. For the recent year as of the date of the public handbook had been printed, there is no massive change in technology and industry that will significantly influence the company's financial business.

2. Information security risks: Refer to P.88~89.

(VI) The impact of the change of enterprise image on enterprise crisis management and its responding measures:

The company has always complied with the provisions of the laws, values the ethics of the employee as well as the discipline management, and request the managers to practice what they preach; therefore, there is no any negative enterprise image so far. While pursuing operational growth, profitability and maximizing the shareholders' equity, the company is also able to fulfill its corporate social responsibilities and aim to establish a corporate image of first-class corporate governance, enabling customers, employees and invested shareholders to rely on the company.

(VII) The estimated benefits and possible risks of merger and its responding measure: None.

(VIII) The estimated benefits and possible risks of plant expansion and its responding measures:

By the date of the public handbook has been printed, the company has no plant expansion plan. However, if there is the plant expansion plan in the future, the company must adhere to a prudent assessment attitude and consider whether expanding the plant can bring specific synergies to the company to ensure the protection of shareholders' equity.

(IX) The risks associated with any consolidation of sales or purchasing operations, and their responding measures:

1. The risks associated with any purchasing operations, and its responding measures

The ratio of consolidation of purchasing operations of the company's largest supplier did not exceed 15%; there have always been more than two suppliers of the main procurement of the merchandise. Daily, the company constructs a good relation with the suppliers; there is no blanking halfway or material offer termination. Moreover, because the main purchased products of the company are wooden furniture such as table and chair, chest of drawers, and bed frame, etc., the supplies offered by the different supplier will not create massive differences. Accordingly, there are no circumstances of exclusive supplier controlling the particular source of supply; instead, the essential design papers are all under the control of the company; thus, there is no risk associated with purchasing operations.

2. The risks associated with any consolidation of sale, and its responding measures

The company mainly operate the branding furniture chain store business, and its sale subject focuses on non-specific consumers instead of a single customer. The top ten sales customers accounted for less than 1% of the net operating income, so there shall be no risk arising from the consolidation of sales.

(X) Directors, or shareholders holding more than 10% of the shares, the impact of a large number of shares transferred or replaced on the company, risks and its responding

measures: None.

(XI) The impact of the change of operating right on the company, risks, and its responding measures:

Although the company has had the re-election of supervisors, however, it is, to meet the company's articles of incorporation and strengthens the company's supervisory structure. The major operating teams have not undergone major changes and have no significant impact on the actual operations of the company.

(XII) A litigation or non-litigation incident, shall state the company and the company's directors, general manager, substantive person in charge, major shareholders holding more than 10% of the shares, and major lawsuits, non-litigation, or administrative litigation that the subordinate company has decided to determine or are still involved in, the outcome of which may have a significant impact on shareholders' equity or securities prices, shall disclose its fact in contention, underlying amount, the start date of litigation, the main party involved in litigation, and the dealing process as of the date of the annual report had been printed: None.

(XIII) Other important risks and the responding measures: None.

(XIV) The association structure of risk management:

1. Audit office: Responsible for audit, evaluate the management and control of every department operations and the assistance of improving risks. Also, it is responsible for evaluate the appropriateness and effectiveness of the company's governance in accordance with the result of risk assessment.
2. General manager office: Responsible for setting the annual plan, and assist every department to establish the plan of the department, evaluate long-term operation strategy, to lower the strategic risks.

## VII 、 Other important matters:

(I) Basis and foundation of the method for listing assets and liabilities assessment

1. The listing policy of the inventory valuation loss

Inventories are measured at the cost and net realizable value whichever is lower. When comparing costs and net realizable values, they are based on individual items except for the same type of inventory. The net realizable value refers to the balance of the estimated selling price under normal circumstances minus the estimated cost of completion and the estimated cost of completing the sale. The calculation of inventory cost is based on the weighted average method.

2. Foreign Currency Exchange

- (1) When making the company's consolidative financial report, trading in currencies other than individual functional currencies (foreign currencies) shall be converted to functional currency records at the date of the exchange rate.
- (2) The monetary items of foreign currency are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from the delivery of monetary items or conversion of monetary items are recognized in profit or loss in the period in which they are incurred.
- (3) The non-monetary items of foreign currency measured at fair value are translated at the exchange rate at the date when the fair value is determined, and the resulting exchange differences are recognized in profit or loss for the current period. However, changes in fair value are recognized in other comprehensive income, and the resulting exchange differences are included in other comprehensive income.

- (4) Exchange on the transaction date.

3. Allowance for bad debt

The company's method of providing an allowance for bad debts is to distinguish the payment of the receivables from the receivable related party payment, the receivable credit card payment (the

money collected from the bank,) and the non-related party payment. There is no risk of impairment of the receivable related-party payment and the receivable credit card payment; accordingly, no allowance for bad debts is proposed. The receivable non-related party payment shall be deemed to the same group when engaging in impairment test due to its concert of credit risk characteristics. Initially, assess whether the client has a debtor who is much likely to close down or make other signs of objective impairment such as financial restructuring. For customers with individual signs of impairment, 100% bad debts are provided, and customers without individual signs of impairment are assessed based on experience. For the recovery rate, there was no objective evidence of impairment in the previous year. Therefore, the bills receivables are provided with a more conservative and stable bad debt ratio of 1%.

(II) The financial information of the department

Provides the information of the distributed resources of the main operating strategist and the effectiveness of the department, focuses on the kind of every delivered or provided products or services. In accordance with the provisions of the IFRS No.41 “The Disclosure of Operating Segments Information,” The company's business is concentrated in the sales of furniture, bedding, kitchen appliances, and furnishings, and there are no corresponding operating departments to report.

## **VI 、 Others**

### **I 、 Summary of Affiliated Companies**

- (I) Consolidated business report of affiliated companies: The Company has completed the declaration in accordance with relevant regulations. For details, please refer to the Market Observation Post System.
- (II) Consolidated financial statements of affiliated companies: The Company has completed the declaration in accordance with relevant regulations. For details, please refer to the Market Observation Post System.
- (III) Relation Report : None.

II 、 Private Placement Securities in the Most Recent Years: none.

III 、 Other information : None.

## **VII 、 Any event regulated in Article 36-3-2 of Security Trade Act occurred and shall affect the right of shareholder of share price:**

- I. On April 19, 2019, the Board of Directors of the Company resolved to purchase 100% interest in Nova Furnishing Holdings Pte Ltd of NOVA, the second-largest furniture retailer in Singapore, for NT\$228 million.

# Address and EL of Headquarters, Branches and Plant

NO.	Name	Address	TEL
1	Headquater	No.69, Dinghu 1st St., Guishan Dist., Taoyuan City	(03)318-0555
2	Mingshen Br.	No.52, Mingshen E. Rd., Sec.5, Songshan Dist., Taipei City	0963-567003
3	Wenchan Br.	No.276, Wenchan St., Daan Dist., Taipei City	0963-567029
4	Beihsin Br.	1F, No.47, Beixin Rd., Sec.2, Xindian Dist., New Taipei City	0963-567026
5	Fuxin S. Br.	1F, No.116, Fuxin S. Rd., Sec.2, Daan Dist., Taipei City	0963-567019
6	Guting Br.	No.3, Roosevelt Rd., Sec.2, Zhongzheng Dist., Taipei City	0963-567006
7	Banqiao Br.	No.141, Wenhua Rd., Sec.2, Banqiao Dist., New Taipei City	0963-567027
8	Xinhu Br.	Cabinet E, 2F, No.23, Xinhu 3 Rd., Neihu Dist., Taipei City	0963-567031
9	Yuanshan Br.	2F, No.46, Zhongshan N. Rd., Sec.5, Shihlin Dist., Taipei City	0963-567010
10	XInshen S. Br.	1F, No.142-1, Xinshen S. Rd., Sec.1, Zhongzheng Dist., Taipei City	0963-567005
11	Linko Br.	No.36, Wenhua 1 Rd., Sec.1, Linko Dist., New Taipei City	0963-567032
12	Huanzhong Br.	No.915&917, Huanzhon E. Rd., Zhongli Dist., Taoyuan City	0963-567056
13	Nankan Br.	No.1, Zhongzheng Rd., Luchu Dist., Taoyuan City	0963-567052
14	Guanmin Br.	No.33, Tzuchiang 5. Rd., Chubei City, Hsinchu County.	0963-567059
15	Tzuchiang Br.	No.190, Tzuchiang S. Rd., Chubei City, Hsinchu County.	0963-567060
16	Tofen Br.	1F, No.1347, Zhonghua Rd., Tofen Town, Miaoli County	0963-567061
17	Wuquan Br.	No.87Wuquan W. Rd., Sec.2, Nantun Dist., Taichung City	0963-567078
18	Chanhua Br.	No.701, Jinma Rd., Sec.3, Chanhua City	0963-567077
19	Beitun Br.	No.401, Beitun Rd., Beitun Dist., Taichung City	0963-567081
20	Wenxin 1 Br.	No.548, Wenxin Rd., Sec.3, Xitun Dist., Taichung City	0963-567079
21	Huande Br.	No.1006, Huanzhong Rd., Sec.1, Beitun Dist., Taichung City	0963-567069
22	Fuya Br.	No.918, Taiwan Ave. Sec.4, Xitun Dist., Taichung City	0963-567070
23	Damin Br.	No.451, Damin Rd., Dali Dist., Taichung City	0963-567071
24	Dali Br.	No.1236, Wenhsin S. Rd. Dali Dist., Taichung City	0963-567085
25	Ximen Br.	No.739, Ximen Rd., Sec.1, ZHoongxi Dist., Tainan City	0963-567091
26	Zhonghua E. Br.	No.148, Zhonghua E., Rd., Sec.2, East Dist., Tainan City	0963-567092
27	Zhongzheng N. Br.	No.271, Zhonzheng N. Rd., Yongkan Dist., Tainan City	0963-567090
28	Dream Era Br.	B2, No.789, ZHonghua 5 Rd., Qienzheng Dist., Kaohsiung City	0963-567099
29	Niaoson Br.	No.142-5, Zhongzheng Rd., Niaoson Dist., Kaohsiung City	0963-567109
30	Qinnien Br.	No.213, Qinnien 1 Rd., Lingya Dist., Kaohsiung City	0963-567105
31	Yonghe Br.	No.100, Yonghe Rd., Sec.1, Yonghe Dist., New Taipei City	0963-567035
32	Jienkuo Br.	No.401, Jienkuo Rd., Sec.3, Fengshan Dist., Kaohsiung City	0963-567101
33	Zhongshan Br.	No.121, Zhongshan Rd., Sec.1, Banqiao Dist., New Taipei City	0963-567022
34	Menrer Br.-Living	B2, No.789, Chunghua 5 Rd., Qienchen Dist., Kaohsiung City	0963-567102
35	Tzouying Br.	No.948, Minzu 1 Rd., Tsoyin Dist., Kaohsiung City	0963-567108

NO.	Name	Address	TEL
36	Sanhsia-HOLA Br.	B1, Building C No.85, Dachen Rd., Shulin Dist., New Taipei City	0963-567028
37	Zhonghsiao Br.	No.688, Zhonghsiao Rd., East Dist., Chiayi City	0963-567075
38	Xinye Br.	No.223, Xinye W., West Dist., Chiayi City	0963-567073
39	HOLA Br.	2F, No.291, Zhongshan Rd., Sec.2, Zhonghe Dist., New Taipei City	0963-567008
40	Xinhu Br.-Living	Cabinet L 2F, No.23, Xinhu 3 Rd., Neihu Dist., Taipei City	0963-567007
41	Rende Br.	B1, No.777, Zhongshan Rd., Rende Dist., Tainan City	0963-567093
42	Nankan Br.-Living	2F, No.1, Zhongzheng Rd., Nanron Vil., Luchu Town, Taoyuan County	0963-870810
43	HOLA Br.-Living	3F, No.291, Zhongshan Rd., Sec.2, Zhonghe Dist., New Taipei City	0963-567011
44	Tzuoyin HOLA Br.	1F, No.948, Minzu 1 Rd., Tsoylin Dist., Kaohsiung City	0963-796001
45	Zhongyan Br.	No.320、322, Zhongyan Rd., Sec.4, Hualien City, Hualien County	0963-567038
46	Mato Br.	No.16-5&16-6, Majia Rd., Sec.1, Mado Dist., Tainan City	0963-711030
47	Xitun Hola Br.	2F, No.528, Taiwan Ave. Sec.4, Xitun Dist., Taichung City	0905-029202
48	Jiotson Br.	No.43, Ln.150, Jiotson Rd., Sec.1, Neihu Dist., Taipei City	0963-567016
49	Xinwu Br.	No.97, Xintai 5 Rd., Sec.1, Xizhi Dist., New Taipei City	0963-567018
50	Xinwu Br.-Living	No.97, Xintai 5 Rd., Sec.1, Xizhi Dist., New Taipei City	0963-567017
51	Jinkuo Br.	No.112, Jinkuo Rd., Taoyuan Dist., Taoyuan City	0955-133122
52	Zhonghua Br.	No.701, Zhonghua Rd., Sec.1, Zhongli Dist., Taoyuan City	0966-650815
53	Wugon Br.	No.93, Wugon Rd., Xinzhuang Dist., New Taipei City	0966-709265
54	Hola Shihlin Br	1F, No.258, Jihe Rd., Shihlin Dist., Taipei City	0966-590581
55	Hola Shihlin Br.-Living	1F, No.258, Jihe Rd., Shihlin Dist., Taipei City	0966-590582
56	Wenchan Br.-Living	No.261, Wenchen St., Daan Dist., Taipei City	0905-059765
57	Riyueguan Br.-Living	B4, No.13, Ln.751, Kanning St., Xizhi Dist., New Taipei City	0905-191175
58	Xinying Br.	No.371, Fuxin Rd., Xinying Dist., Tainan City	0963-567097
59	Humei 1 Br.	No.432, Zhonghua W. Rd., Sec.2, Zhongxi Dist., Tainan City	0905-931967
60	Mingshen Br.-Living	No.56, Mingshen E. Rd., Sec.5, Songshan Dist., Taipei City	0963-567107
61	Mingchen Br.	No.255、253, Chunghua 1 Rd., Gushan Dist., Kaohsiung City	0905-033172
62	Pingzhen Br.	No.99, Minzu Rd., Sec. 2, Pingzhen Dist., Taoyuan City	0963-567057
63	Wenxin Br.-Living	No.48, Wenxin Rd., Sec. 1, Nantun Dist., Taichung City	0963-567082
64	Scan Living, Tainan Xinying Br.	No. 367, Fuxing Rd., Xinying Dist., Tainan City 73052	0928-279365
65	Sleep Gallery, Nanjing Breeze Br.	B1/F, No. 337, Nanjing E. Rd., Sec.3, Songshan Dist., Taipei City 10550	0905-027535
66	Taipei Dajiotsun Br.	No. 2, Jiotson Rd., Sec.1, Neihu Dist., Taipei City 11494	0933-086071
67	Yuanlin Br.	No. 2, Sec. 1, Yuanlin Blvd., Yuanlin City, Changhua County	0963-567106
68	Beigang Br.	No. 317, Beigang Rd., West Dist., Chiayi City	0975-806593
69	Fengyuan Carrefour Br.	2F., No. 500, Chenggong Rd., Fengyuan Dist., Taichung City	0905-606785
70	Douliu Carrefour Br.	2F., No. 297, Sec. 2, Yunlin Rd., Douliu City, Yunlin County	0963-597133
71	Taichung Qingshui Zhongshan Br.	No. 29-2, Zhongshan Rd., Qingshui Dist., Taichung City	0963-567095

NO.	Name	Address	TEL
72	Taoyuan A19 Universal Br.	Cabinet 207, 2F., No. 352, Sec. 2, Gaotie S. Rd., Zhongli Dist., Taoyuan City	0905-697930
73	HOLA Xinzhuang	No. 620, Zhongzheng Rd., Xinzhuang Dist., New Taipei City	0963-567023
74	Hsinchuang Hsinwu Br.	No. 108-8, Sec. 1, Xin 5th Rd., Taishan Dist., New Taipei City	0963-567036
75	Yilan Erben Br.	No. 159, Sec. 1, Yixing Rd., Yilan City, Yilan County	0963-567025
76	Bade Jieshou Br.	No. 602, Sec. 2, Jieshou Rd., Bade Dist., Taoyuan City	0963-567050
77	Luodong Guangrong Br.	No. 278、280, Guangrong Rd., Luodong Township, Yilan County	0928-279362
78	Huwei Linsen Br.	No. 448, Sec. 2, Linsen Rd., Huwei Township, Yunlin County	0905-836903
79	Eslite in Yulong City, Xindian Br.	4F., No. 70, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	0963-567001
80	Taoyuan Taimall Br.	6F.-L6-06, No. 112, Sec. 1, Nankan Rd., Luzhu Dist., Taoyuan City	0963-931033
81	Hsinchu Jingguo 1 Br.	No. 1, Sec. 1, Jingguo Rd., East Dist., Hsinchu City	0963-567062
82	Noah Hsinchu Br.	No. 141, Sec. 1, Jingguo Rd., East Dist., Hsinchu City	0905-836902
83	Noah Taipei Breeze Br.	3 F., No. 337, Sec. 3, Nanjing E. Rd., Songshan Dist., Taipei City	0963-551662
84	Miaoli Shang Shun Br.	4F., Yule St., Toufen City, Miaoli County	0963-567066
85	Taichung FEDS Br.	8 F., No. 251, Sec. 3, Taiwan Blvd., Xitun Dist., Taichung City	0938-969573
86	Tamsui 禮萊	2 F., No. 2, Sec. 1, Zhongzheng Rd., Tamsui Dist., New Taipei City	0963-567072
87	Pingtung Jienkuo Br.	No.340, Jienkuo Rd., Pingtung City	0963-567110



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We are looking forward to your opinion.

# SCAN-D ORPORATION

Chairperson Lim, Pok-Chin