Stock Code 2945

Simple Mart Retail Co., Ltd.

2026 Annual Meeting of Shareholders Meeting Handbook

Meeting Date: May 29, 2026

Meeting Place: 8F Meeting Room, No. 6, Section 3, Minquan E. Rd., Zhongshan District, Taipei City.

Meeting Method: Physical Shareholders Meeting

If there is any conflict between the English version and the original Chinese version, the Chinese version shall prevail.

Table of Contents

I. MEETING AGENDA 1
II. REPORTS 2
III. ADOPTION 4
IV. DISCUSSIONS 6
V. OTHER 6
VI. MOTIONS 7
VII. ADJOURNMENT 7
VIII ANNEX 8
Annex 1. BUSINESS REPORT 8
Annex 2. DIRECTORS' REMUNERATION REPORT 11
Annex 3. AUDIT AND RISK MANAGEMENT COMMITTEE'S AUDIT REPORT 13
Annex 4. REPORT OF THE COMMUNICATION BETWEEN AUDIT AND RISK MANAGEMENT COMMITTEE AND CHIEF INTERNAL AUDITOR OF THE COMPANY 14
Annex 5. FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT 16
Annex 6. COMPARISON OF AMENDMENTS OF THE "OPERATIONAL PROCEDURES FOR LOANING FUNDS" 32
Annex 7. COMPARISON OF AMENDMENTS OF THE "OPERATIONAL PROCEDURES FOR ENDORSEMENTS/GUARANTEES" 41
IX. APPENDICES 48
Appendix 1. RULES AND PROCEDURES FOR SHAREHOLDERS' MEETING 48
Appendix 2. ARTICLES OF INCORPORATION 58
Appendix 3. OPERATIONAL PROCEDURES FOR LOANING FUNDS (BEFORE AMENDMENT) 65
Appendix 4. OPERATIONAL PROCEDURES FOR ENDORSEMENTS/GUARANTEES (BEFORE AMENDMENT) 71
Appendix 5. STATUS OF OWNERSHIP BY ALL DIRECTORS 76
Appendix 6. COMMENT ON PROPOSAL HANDLING OF REGULAR SHAREHOLDERS MEETING 77

I. MEETING AGENDA

Time: 9:00 a.m., Friday, May 29, 2026

Place: 8F Meeting Room, No. 6, Section 3, Minquan E Rd, Zhongshan District, Taipei City

Method: Physical shareholders meeting

1. Call to Order
2. Chairman's Address
3. Reports:
   a. The Business Report of 2025.
   b. The earnings distribution of 2025.
   c. The employees' bonus and directors' compensation of the Company of 2025.
   d. Director's Remuneration Report.
   e. Audit Report for all annual final accounting books and statements of 2025 by Audit and Risk Management Committee.
   f. Report of the communication between Audit and Risk Management Committee and Chief Internal Auditor of the Company.
   g. Report of the non-operating transactions between the Company and its related parties.
4. Adoption:
   a. Adoption of the Business Report and Financial Statements of 2025.
   b. Adoption of the earnings distribution of 2025.
5. Discussions:
   a. Amendments of the "Operational Procedures for Loaning Funds".
   b. Amendments of the "Operational Procedures for Endorsements/Guarantees".

   Matters for ratification and discussion Voting on each proposal.
6. Other: The release of the prohibition on directors from participation in competitive business.
7. Motions
8. Adjournment

II. REPORTS

Proposal 1: The Business Report of 2025, please review

(Proposed by Board of Directors)

Explanations: For the business report of the Company of 2025, please refer to the Annex 1. (p. 8-10 of this handbook)

Proposal 2: The earnings distribution of 2025, please review

(Proposed by Board of Directors)

Explanations:

A. According to Article 19-1 of the Articles of Incorporation that the Board of Directors is authorized to resolve to distribute all or part of the dividends and bonuses payable in the form of cash.

B. It is proposed that the Company keeps NT$13,969,126 as legal reserve following the regulation, and distributes cash dividend of NT$ 101,250,000. Calculated according to the number of shares currently issued by the Company entitled for distribution, the cash dividends is NT$1.50 per share.

C. Cash dividend of individual shareholder will be round down to and distributed in integer of New Taiwan Dollar. The fractions of the Dollar of the cash dividend of each shareholder will be reduced and transferred to Employees' Welfare Committee of the Company.

D. If the outstanding shares are impacted due to the repurchase of the Company's own shares, transfer, conversion, and cancellation of treasury stock, convertible bonds converted following the issuance and convertible conditions, exercise or issuance of employee stock warrants, issuance or recall of employee restricted stock or other matters after the approval of the distribution of earnings which results in the change of cash dividend rate, it is proposed that the Chairman be authorized to take any actions that may be required.

E. It is proposed that the Chairman be authorized to decides the ex-dividend base date and payment date of cash dividend.

F. If the related matters needed to be modified due to the regulations or the instructions from the competent authority, it is proposed that the Chairman be authorized to take any actions that may be required on behalf of the Company.

Proposal 3: The employees' bonus and directors' compensation of the Company of 2025, please review

(Proposed by Board of Directors)

Explanations:

A. According to Article 19 of the Articles of Incorporation, if the Company has profit, it shall set aside no less than 1% for employee compensation, of which no less than 60% shall be allocated to frontline employees. The Board of Directors shall resolve to distribute this compensation in the form of stock or cash, and the recipients shall include employees of subsidiaries who meet certain conditions; The Company's Board of Directors may resolve to allocate no more than 3% of the aforementioned profit amount as remuneration for directors.

B. In accordance with the above provisions of the Articles of Incorporation, The Company has set aside NT$3,000,000 for employee compensation and NT$3,150,000 for director compensation, Of the NT$3,000,000 in employee remuneration, 95% (i.e., NT$2,850,000) will be distributed equally among eligible frontline employees, while the remaining 5% (i.e., NT$150,000) will be divided

equally among eligible non-frontline employees (including managers).

C. There is no difference between the aforementioned apportioned amount and the estimated amount of expenses recognized in 2025.

Proposal 4: Directors' Remuneration Report, please review

(Proposed by Board of Directors)

Explanations: According to the "Regulations Governing the Evaluation of the Performance and Remuneration of Directors, Functional Committees and Managers" of the Company, the remuneration to the Company's directors is evaluated and reviewed by the Company's Remuneration Committee based on the size of the Company, the salary level of the position in the peer market, the scope of authority and responsibility of the position within the Company, the extent to which the position has contributed to the Company's operating objectives, and is submitted to the Board of Directors for a resolution. For details of the remuneration, please refer to the Annex 2. (p. 11-12 of this handbook)

Proposal 5: Audit Report for all annual final accounting books and statements of 2025 by Audit and Risk Management Committee, please review

(Proposed by Audit and Risk Management Committee)

Explanations: For the 2025 Audit and Risk Management Committee's audit report, please refer to the Annex 3. (p. 13 of this handbook)

Proposal 6: Report of the communication between Audit and Risk Management Committee and Chief Internal Auditor of the Company, please review

(Proposed by Audit and Risk Management Committee)

Explanations: For the report of the communication between Audit and Risk Management Committee and Chief Internal Auditor of the Company, please refer to the Annex 4. (p. 14-15 of this handbook)

Proposal 7: Report of the non-operating transactions between the Company and its related parties, please review

(Proposed by Board of Directors)

Explanations: The detail of the non-operating transactions between the Company and its related parties is as follows:

ITEM	EXPLANATION
Lending of Funds	On August 1, 2025, the Board of Directors approved a loan of NT$50 million to Sanyou Beauty & Wellness Marketing, Ltd., a loan of NT$150 million to Simple Mart Plus Co., Ltd. and a loan of NT$30 million to Pet Wonderland Co., Ltd. As of December 31, 2025, all amounts drawn down by the subsidiary have been repaid.
Endorsements and Guarantees	On August 1, 2025, the board of directors approved to guarantee bank loans of NT$250 million for the subsidiary Simple Mart Plus Co., Ltd. As of December 31, 2025, the subsidiary had not actually incurred any loans.
Asset Transactions	In 2025, the Company purchased assets NT$3,250 thousand from Mercuries Data Systems Ltd.

III. ADOPTION

Proposal 1: Adoption of the Business Report and Financial Statements of 2025.

(Proposed by Board of Directors)

Explanations:

The 2025 business report (Annex 1, p. 8-10 of this handbook), consolidated financial reports and parent-company-only financial reports (Annex 5, p. 20-23 and p. 28-31 of this handbook) of the Company have been approved by board of directors and audited by the Audit and Risk Management (Annex 3, p. 13 of this handbook). The consolidated financial reports and parent-company-only financial reports have been certified by CPA Pei-Ju Hsiao and Chi-Lung Yu of KPMG in Taiwan and an unqualified audit report (Annex 5, p. 16-19 and p. 24-27 of this handbook) was issued.

Proposal 2: Adoption of the earnings distribution of 2025.

(Proposed by Board of Directors)

Explanations: The Company's earnings distribution for 2025 was reviewed and approved by the Audit and Risk Management Committee and resolved by the Board of Directors. The table of 2025 earnings distribution of the Company is as follows:

Simple Mart Retail Co., Ltd.
Table of 2025 earnings distribution

Unit: NT$

Item	Amount
Balance of January 1, 2025	**30,608,259**
Less: Difference between the actual acquisition price and carrying value of equity interest in subsidiaries	**(4,573,157)**
Add: Net income of 2025	**144,264,416**
Distributable earnings of December 31, 2025	**170,299,518**
Less: Legal reserve	**(13,969,126)**
	156,330,392
Allocated items:	
Less: Dividend of common shares - Cash ($1.50 per share)	**(101,250,000)**
Unappropriated earnings of December 31, 2025	**55,080,392**

Note: earnings from year 2025 shall be distributed in priority.

Chairman: Shiang-Feng Chen CEO: Kuang-Lung Chiu Accountant: Yun-Ru Lin

IV. DISCUSSIONS

Proposal 1: Amendments of the "Operational Procedures for Loaning Funds".

(Proposed by Board of Directors)

Explanations:

A. Considering operation planning, the Company plans to amend the "Operational Procedures for Loaning Funds".

B. For the article comparison table, please refer to Annex 6, p. 32-40 of this handbook.

Proposal 2: Amendments of the "Operational Procedures for Endorsements/Guarantees".

(Proposed by Board of Directors)

Explanations:

A. Considering operation planning, the Company plans to amend articles of "Operational Procedures for Endorsements/Guarantees".

B. For the article comparison table, please refer to Annex 7, p. 41-47 of this handbook.

C. In accordance with the Group's overall strategic plan, The Company intends to increase the guarantee limit for its subsidiaries. Following this revision, The Company's total guarantee limit will reach more than 50% of its net worth. This revision primarily involves raising the guarantee limit for wholly-owned subsidiaries. As The Company exercises full control over their operational decisions and can monitor their cash flows at any time, the associated risks remain within manageable limits.

Matters for ratification and discussion Voting on each proposal.

V. OTHER

Proposal: The release of the prohibition on directors from participation in competitive business.

(Proposed by Board of Directors)

Explanations:

A. If any of the directors of the Company invests in or operates other companies with the same or similar scope of business as the Company and serves as a director, the Company intends to lift the restriction on the director's non-competition in accordance with Article 209 of the Company Act, provided that it is not detrimental to the Company's interests. The scope of the proposed lifting of the prohibition on non-competition is as follows:

Directors:

Company Name	Name of Representative	Concurrent positions currently served as at the Company and other companies
Mercuries & Associates Holding, Ltd.	Shiang-Feng Chen	Director of Sanhui Co., Ltd.

Independent Directors:

Name	Concurrent positions currently served as at the Company and other companies
Tsay-Lin Lin	Independent Director of ULTRA CHIP, INC.

B. Please proceed to resolve on the proposal.

Resolution:

VI. MOTIONS
VII. ADJOURNMENT

VIII ANNEX
Annex 1. BUSINESS REPORT

Simple Mart Retail Co., Ltd.
2025 Business Report

1. Business Performance in 2025

The Company and its subsidiaries primarily operate in the retail sector, focusing on daily consumer goods. The core business philosophy of our flagship brand, Simple Mart, has always been to offer products at supermarket prices with the convenience of a convenience store, consistently supplying neighborhood communities with a wide range of daily necessities, including food and household goods. In addition to Simple Mart's nearly two decades of deep community roots, The Company has developed other retail brands to mitigate risks. These include Simple Mart Plus, which emphasizes food safety; Sanyou Beauty & Wellness Marketing, Ltd., which combines inner health and beauty; and Pet Wonderland Co., Ltd., which specializes in cat food and supplies. Through this diversification strategy, we aim to leverage retail synergies, reduce operational risks, and meet consumers' daily needs. As of the end of 2025, the total number of stores operated by The Company and its subsidiaries reached 840 (including 812 Simple Mart stores, 4 Simple Mart Plus stores, 15 Tomod's stores, and 9 Pet Wonderland Co., Ltd. stores).

In terms of channel strategy, to mitigate the bottlenecks caused by severe labor shortages on our expansion efforts, The Company has introduced various flexible franchise programs. By continuously optimizing our franchise partnership models and operational support mechanisms, we aim to attract franchise partners with strong management capabilities and local resources to join us in expanding the brand's distribution network. As of the end of 2025, the franchise ratio of Simple Mart stores had reached 36.95%. Moving forward, The Company will continue to deepen its relationships with franchise partners to achieve mutual prosperity and shared benefits.

In terms of digital applications, in response to the rapid evolution of retail technology, The Company will continue to drive the upgrade of smart retail, focusing on the application of digital tools and system integration to build a data-driven operational model. In July 2025, The Company completed the store-wide installation of electronic price tags for both Simple Mart and Simple Mart Plus brands. In addition to achieving the goal of reducing the workload on staff, we will continue to leverage the energy-efficient and real-time price-adjustment capabilities of electronic price tags. By integrating with the promotional and inventory systems on our backend information platform, we will utilize AI-driven pricing and AIoT technologies to gradually implement dynamic pricing and precision marketing. This will shift operational decision-making from experience-based to data-driven, enabling us to issue price adjustment instructions in real time in response to market changes. Furthermore, The Company can leverage electronic price tags to provide targeted product marketing services. By combining data analytics with real-time price adjustments, we can improve conversion rates for RMN (Rice, Meat, and Noodles) products. This not only generates tangible revenue for The Company but also strengthens relationships with suppliers, thereby establishing a higher competitive barrier.

In terms of product strategy, The Company will continue to focus on strengthening product differentiation as the core approach to enhancing profitability. By adjusting our product mix to boost sales of differentiated products—such as private-label items and directly imported goods—we aim to establish an irreplaceable, distinctive brand image in the minds of consumers and build a unique competitive barrier. In particular, with prices continuing to rise in recent years, the concept of "affordable alternatives" has gradually shifted consumer behavior, making private-label brands the top choice for smart shopping. The Company has always regarded meeting consumer needs as the cornerstone of its store operations. We introduce products that combine quality with price competitiveness, offering consumers "high value-for-money" items while simultaneously increasing gross profit margins. As of the end of 2025, differentiated products accounted for 25.17% of our total product mix, with sales revenue increasing by 6.35% compared to the previous year. Moving forward, we will continue to leverage supply chain integration and economies of scale to accelerate the introduction of new products and the phasing out of older ones, thereby adapting to market changes.

The Company's consolidated revenue for 2025 was NT$14,803,779 thousand, representing a 3.54% increase from 2024. Net income attributable to owners of the parent company was NT$144,264 thousand, representing a 5.77% increase from 2024.

Operating results of 2025 are shown below:

In Thousands of NTD, Except Earnings Per Share

	2025	2024	Difference
Consolidated net operating income	14,803,779	14,297,180	3.54%
Consolidated operating profit	4,044,370	3,877,336	6.80%
Gross profit margin	27.32%	27.12%	3.13%
Consolidated operating interests	170,960	177,531	(3.70%)
Net profit before tax	154,325	153,088	0.81%
Net profit attributable to owners of the parent company	144,264	136,399	5.77%
Earnings per share	2.14	2.02	5.77%

2. Business Outlook for 2026

In light of the increasingly competitive retail industry, evolving consumer trends, and rapid advancements in technology, The Company will continue to uphold the core principles of "steady growth, efficiency optimization, data-driven decision-making, and differentiated operations" in 2026, as it did in 2025. We will focus on key strategies such as expanding our franchise network, advancing smart retail and digital transformation, optimizing our product mix, and promoting sustainable operations to enhance overall operational efficiency and corporate value.

In addition to upholding our founding mission of "becoming the most trusted retail brand in the hearts of consumers," The Company will continue to implement sustainable development

principles by integrating ESG values into our daily operations and strategic planning. We will reduce our environmental impact through measures such as energy conservation, carbon reduction, plastic-free packaging, and eco-friendly products. At the same time, through long-term collaboration with our supplier partners, The Company will drive the development of sustainable products and promote transparency, thereby establishing a resilient and responsible supply chain system. The Company not only strives to improve operational performance but will also continue to instill the principles of sustainable business practices in its employees. The Company is committed to creating long-term value that benefits the Company, consumers, and society alike, thereby realizing corporate sustainability.

Chairman: Shiang-Feng Chen CEO: Kuang-Lung Chiu Accountant: Yun-Ru Lin

Annex 2. DIRECTORS' REMUNERATION REPORT

December 31, 2025; in New Taiwan dollars thousands

Title	name and surname	Directors' remuneration								A, B, C and D as a percentage of after-tax net income		Remuneration for part-time employees								Total amount of A, B, C, D, E, F, and G and percentage of net income after tax		Receipt of remuneration from investees other than subsidiaries or from the parent company
		Remuneration (A)		Retirement Pension (B)		Directors' Remuneration (C)		Business execution expenses (D)				Salaries, bonuses and special expenses, etc. (E)		Retirement Pension (F)		Staff remuneration (G)						
																Company		All companies in the financial statements				
		Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial report	Company	All companies in the financial report	Company	All companies in the financial statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount	Company	All companies in the financial report	
Mercuries & Associates Holding, Ltd.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chairman	Representative: Shiang-Feng Chen	600	600	-	-	1,000	1,000	-	-	1,600	1,600	-	-	-	-	-	-	-	-	1,600	1,600	1,195
										1.1%	1.1%									1.1%	1.1%	
Director	Represented by: Shiang-Li Chen	-	-	-	-	500	500	-	-	500	500	-	-	-	-	-	-	-	-	500	500	13,747
										0.3%	0.3%									0.3%	0.3%	
Director	Representative: Wei-Chyun Wong	-	-	-	-	500	500	-	-	500	500	-	-	-	-	-	-	-	-	500	500	1,070
										0.3%	0.3%									0.3%	0.3%	
Director	Representative: Kuang-Lung Chiu	-	-	-	-	500	500	-	-	500	500	9,077	9,077	108	108	3	-	3	-	9,687	9,687	-
										0.3%	0.3%									6.7%	6.7%	
Shopnet Homeshopping co., Ltd.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	Representative: Chen-Chih Tai	-	-	-	-	250	250	-	-	250	250	-	-	-	-	-	-	-	-	250	250	-
										0.2%	0.2%									0.2%	0.2%	
Director	Representative: Sung-Wen Tai	-	-	-	-	400	400	-	-	400	400	-	-	-	-	-	-	-	-	400	400	-
										0.3%	0.3%									0.3%	0.3%	
Independent Director	Tsay-Lin Lin	400	400	-	-	-	-	-	-	400	400	-	-	-	-	-	-	-	-	400	400	-
										0.3%	0.3%									0.3%	0.3%	
	Meng-Lin Tsai	400	400	-	-	-	-	-	-	400	400	-	-	-	-	-	-	-	-	400	400	-
										0.3%	0.3%									0.3%	0.3%	
	Ming-Jye Huang (Note 1)	200	200	-	-	-	-	-	-	200	200	-	-	-	-	-	-	-	-	200	200	-
										0.1%	0.1%									0.1%	0.1%	
	Tzu-Yun Chen	300	300	-	-	-	-	-	-	300	300									300	300	-

1. Please describe the policy, system, criteria and structure for the payment of compensation to independent directors, and describe the relationship between the amount of compensation paid and the amount of responsibility, risk, time commitment, etc.: The Company's "Regulations Governing the Evaluation of the Performance of Directors, Functional Committees, and Managers, and Salary and Compensation" stipulates that independent

Title	name and surname	Directors' remuneration								A, B, C and D as a percentage of after-tax net income		Remuneration for part-time employees								Total amount of A, B, C, D, E, F, and G and percentage of net income after tax		Receipt of remuneration from investees other than subsidiaries or from the parent company
		Remuneration (A)		Retirement Pension (B)		Directors' Remuneration (C)		Business execution expenses (D)				Salaries, bonuses and special expenses, etc. (E)		Retirement Pension (F)		Staff remuneration (G)						
																Company		All companies in the financial statements				
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
		Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial statements	Company	All companies in the financial report	Company	All companies in the financial report	Company	All companies in the financial statements					Company	All companies in the financial report	

directors shall be compensated on the basis of the total remuneration at a competitive market level, and that they shall be paid without any participation in the distribution of the remuneration. The Company determines the remuneration of its independent directors on an annual basis by making reference to the remuneration levels of independent directors of peer companies, taking into account the Company's size, profit structure and business characteristics.

2. In addition to the disclosures in the above table, remuneration received by the directors of the Company for services rendered (e.g., acting as consultants to the parent company/all companies in the financial statements/transferred investment undertakings for non-employees, etc.) for the most recent year: None

Note 1: Independent Director Ming-Jye Huang was relieved of his duties upon the expiration of his term on May 24, 2025.

Annex 3. AUDIT AND RISK MANAGEMENT COMMITTEE'S AUDIT REPORT

Simple Mart Retail Co., Ltd.

Audit and Risk Management Committee's Audit Report

The board of directors has prepared the Company's 2025 business report, financial reports and earnings distribution. Among them, the financial report was audited by CPA Pei-Ju Hsiao and Chi-Lung Yu of KPMG in Taiwan, and an audit report was issued. The above-mentioned business report, financial reports and earnings distribution proposal have been reviewed by the Audit and Risk Management Committee and found to be consistent. The reports as above is in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review

Sincerely,

2026 Annual Regular Meeting of Shareholders of Simple Mart Retail Co., Ltd.

Audit and Risk Management Committee of Simple Mart Retail Co., Ltd.

Convenor: Meng-Lin Tsai

_____

February 11, 2026

Annex 4. REPORT OF THE COMMUNICATION BETWEEN AUDIT AND RISK MANAGEMENT COMMITTEE AND CHIEF INTERNAL AUDITOR OF THE COMPANY

Session	Date of Convention	Type	Content of Report	Result of Implementation	Result of Communication
14th Meeting , 2nd Term	2025.02.21	Meeting	Report: Internal audit findings and follow-up actions. Proposal: Statement on the Effectiveness of the Internal Control System for 2024.	1. The internal audit operation is reported to the Audit and Risk Management Committee and then to the Board of Directors. 2. The "Assessment of the Effectiveness of the Internal Control System" and the "Statement of Internal Control" for the year 2024 were reviewed and approved by all members present and presented to the Board of Directors for resolution.	No comments were raised at this meeting.
15th Meeting , 2nd Term	2025.05.02	Meeting	Report: Internal audit findings and follow-up actions. Proposal: Revision of internal control policies and procedures	1. The internal audit operation is reported to the Audit and Risk Management Committee and then to the Board of Directors. 2. Internal control systems or management regulations shall be submitted to the Board of Directors for resolution after being reviewed and approved by all attending committee members.	This report focuses on the communication with the independent directors regarding the audit operation, and the recommendations and results of the communication are set out below: It is recommended that the audit department develop a plan to assist investee companies in establishing and improving their internal control systems.
1st Meeting , 3rd Term	2025.08.01	Meeting	Report: Internal audit findings and follow-up actions.	The internal audit is reported to the Audit and Risk Management Committee and then to the Board of Directors.	No comments were raised at this meeting.
3rd Meeting , 3rd Term	2025.12.26	Meeting	Report: Internal audit findings and follow-up actions. Proposal: 2026 Audit Plan.	1. The internal audit is reported to the Audit and Risk Management Committee and then to the Board of Directors. 2. The 2026 Annual	No comments were raised at this meeting.

Session	Date of Convention	Type	Content of Report	Result of Implementation	Result of Communication
				Audit Plan was reviewed and approved by all members present and submitted to the Board of Directors for resolution.	

Annex 5. FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Directors
Simple Mart Retail Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Simple Mart Retail Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Recognition of retail sales revenue:

   Please refer to Note 4(m) for the accounting policy of the recognition of retail sales revenue and Note 6(q) for the details of related disclosures.

   Description of the key audit matter:

   Retail sales revenue is generated by point of sale (POS) terminals, which record sales information (inclusive of merchandise name, quantity, sales price, and total sales amount) of each transaction using pre-established merchandise master file data. After the daily closing process, the store sales information is uploaded to the ERP (enterprise resource planning) system, which summarizes all sales and automatically generates sales revenue journal entries.

   As retail sales revenue comprises numerous small amount transactions and highly relies on the system transition, the process of summarizing and recording sales revenue through these systems are important with regard to the accuracy of the recognition of retail sales revenues, and thus has been identified as a key audit matter.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, we have performed certain audit procedures including evaluating the control of which sales information in POS terminals was periodically transferred to the ERP system and automatically generated sales revenue journal entries, and inspecting the amount consistency between daily cash reports and bank statement.

2. Impairment assessment of goodwill and intangible assets

   Please refer to Note 4(l) of the individual financial statements for the accounting policies related to the impairment of non-financial assets; to Note 5 for information regarding the accounting estimates and assumptions related to the impairment assessment of goodwill and intangible assets; and to Note 6(i) for details on the impairment assessment of goodwill and intangible assets.

   Description of key audit matter:

   The impairment assessment of goodwill and intangible assets involves various assumptions and estimates made by management. Given that these estimates rely heavily on subjective judgment and involve a high degree of uncertainty, the related accounting treatment has thus been identified as a key audit matter.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, we have performed certain audit procedures including assessing management’ s identification of the cash generating units and considering whether the carrying amounts allocated to those units were fully included. We further evaluated the financial assumptions adopted by management and reviewed the supporting explanations regarding recoverable amounts, verified the reasonableness of management’ s assumptions and the accuracy of its calculations based on available relevant information, and assessed the appropriateness of the disclosures relating to the aforementioned asset impairments.

Other Matter

Simple Mart Retail Co., Ltd. has prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group' s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group' s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group' s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiao, Pei-Ju and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
February 11, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (notes 6(a)(s))	$ 330,587	5	472,471	7
1150	Notes receivable, net (note 6(c))	-	-	46	-
1170	Accounts receivable, net (note 6(c))	65,063	1	67,031	1
1180	Accounts receivable - related parties, net (notes 6(c) and 7)	834	-	1,284	-
1200	Other receivables	11,365	-	15,267	-
1300	Inventories (note 6(d))	1,823,332	29	1,857,408	29
1410	Prepayments (note 7)	42,974	1	32,393	1
1476	Other current financial assets (notes 6(a) and 8)	200	-	120,200	2
		2,274,355	36	2,566,100	40
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current (notes 6(b)(e)(s) and 13)	50,209	1	59,202	1
1600	Property, plant and equipment (notes 6(g) and 7)	1,546,809	24	1,315,500	21
1755	Right-of-use assets (note 6(h))	1,974,510	31	1,989,621	31
1780	Intangible assets (notes 6(e)(i))	290,636	5	295,345	5
1840	Deferred tax assets (note 6(n))	43,422	1	34,170	-
1920	Guarantee deposits paid (note 7)	115,341	2	108,370	2
1980	Other non-current financial assets (notes 6(a) and 8)	4,009	-	20,126	-
		4,024,936	64	3,822,334	60
	Total assets	**$ 6,299,291**	**100**	**6,388,434**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2110	Short-term notes and bills payable (note 6(j)(s)(v)and7)	$ 7,993	-	-	-
2130	Contract liabilities - current (note 6(q))	74,640	1	53,595	1
2150	Notes payable (note 6(s))	165	-	80	-
2170	Accounts payable (note 6(s))	1,242,860	20	1,286,776	20
2180	Accounts payable - related parties (note 6(s) and 7)	4,409	-	3,136	-
2200	Other payables (note 6(k)(s) and 7)	618,435	10	682,525	11
2280	Lease liabilities - current (note 6(l)(s)(v) and 7)	492,285	8	493,303	8
2300	Other current liabilities	41,343	1	85,841	1
		2,482,130	40	2,605,256	41
	Non-Current liabilities:				
2527	Contract liabilities - non-current (note 6(q))	2,420	-	4,653	-
2550	Non-current provisions	29,825	-	10,446	-
2570	Deferred tax liabilities (note 6(n))	5,552	-	2,762	-
2580	Lease liabilities - non-current (note 6(l)(s)(v) and 7)	1,523,695	24	1,549,750	24
2612	Long-term accounts payable (note 6(e)(s))	-	-	100,000	2
2645	Guarantee deposits received (note 6(s))	85,632	1	78,972	1
		1,647,124	25	1,746,583	27
	Total liabilities	4,129,254	65	4,351,839	68
	Equity (notes 6(f)(o))**:**				
3110	Ordinary share	675,000	11	675,000	11
3200	Capital surplus	1,055,235	17	1,001,310	16
	Retained earnings:				
3310	Legal reserve	92,640	1	79,000	1
3350	Unappropriated retained earnings	170,300	3	145,499	2
		262,940	4	224,499	3
	Total equity attributable to owners of parent:	1,993,175	32	1,900,809	30
36XX	Non-controlling interests	176,862	3	135,786	2
	Total equity	2,170,037	35	2,036,595	32
	Total liabilities and equity	**$ 6,299,291**	**100**	**6,388,434**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue** (note 6(q), 7 and 14)	$ 14,803,779	100	14,297,180	100
5000	**Operating costs** (note 6(d) and 7)	10,759,409	73	10,419,844	73
	Gross margin from operations	4,044,370	27	3,877,336	27
	Operating expenses: (note 6(c)(e)(g)(h)(i)(l)(m)(r), 7 and 12)				
6100	Selling expenses	3,392,548	23	3,276,591	23
6200	Administrative expenses	479,537	3	424,237	3
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	1,325	-	(1,023)	-
	Total operating expenses	3,873,410	26	3,699,805	26
	Net operating income	170,960	1	177,531	1
	Non-operating income and expenses:				
7100	Interest income	5,669	-	9,288	-
7190	Other income (note 7)	27,029	-	18,895	-
7230	Foreign exchange gains	1,568	-	1,410	-
7235	Gains (losses) on financial assets at fair value through profit or loss	(8,993)	-	1,165	-
7510	Interest expenses (note 6(l) and 7)	(38,343)	-	(31,912)	-
7590	Miscellaneous disbursements	(1,957)	-	(11,528)	-
7610	Losses on disposal of property, plant and equipment (note 6(g) and 7)	(3,425)	-	(8,403)	-
7670	Impairment losses and reversal (notes 6(g)(h))	1,817	-	(3,358)	-
		(16,635)	-	(24,443)	-
	Profit from continuing operations before tax	154,325	1	153,088	1
7950	**Less: Income tax expenses** (note 6(n))	17,964	-	33,515	-
	Profit	136,361	1	119,573	1
8300	**Other comprehensive income, net of tax**	-	-	-	-
8500	**Total comprehensive income**	**$ 136,361**	**1**	**119,573**	**1**
	Profit, attributable to:				
	Owners of parent	$ 144,264	1	136,399	1
8620	Non-controlling interests	(7,903)	-	(16,826)	-
		$ 136,361	**1**	**119,573**	**1**
	Comprehensive income attributable to:				
	Owners of parent	$ 144,264	1	136,399	1
8720	Non-controlling interests	(7,903)	-	(16,826)	-
		$ 136,361	**1**	**119,573**	**1**
9750	Basic earnings per share (note 6(p))	**$**	**2.14**		**2.02**
9850	Diluted earnings per share (note 6(p))	**$**	**2.13**		**2.02**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						
			Retained earnings		Other equity		
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Others	Non-controlling interests	Total equity
Balance at January 1, 2024	$ 675,000	1,001,310	69,044	100,056	-	46,928	1,892,338
Distribution of retained earnings:							
Legal reserve appropriated	-	-	9,956	(9,956)	-	-	-
Cash dividends of ordinary share	-	-	-	(81,000)	-	-	(81,000)
	-	-	9,956	(90,956)	-	-	(81,000)
Net income	-	-	-	136,399	-	(16,826)	119,573
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	136,399	-	(16,826)	119,573
Changes in non-controlling interests due to aqusition of subsidiaries	-	-	-	-	-	105,684	105,684
Balance at December 31, 2024	675,000	1,001,310	79,000	145,499	-	135,786	2,036,595
Distribution of retained earnings:							
Legal reserve appropriated	-	-	13,640	(13,640)	-	-	-
Cash dividends of ordinary share	-	-	-	(101,250)	-	-	(101,250)
	-	-	13,640	(114,890)	-	-	(101,250)
Net income	-	-	-	144,264	-	(7,903)	136,361
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	144,264	-	(7,903)	136,361
Other	-	-	-	-	(511)	-	(511)
Changes in non-controlling interests	-	53,925	-	(4,573)	511	48,979	98,842
Balance at December 31, 2025	**$ 675,000**	**1,055,235**	**92,640**	**170,300**	**-**	**176,862**	**2,170,037**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	$ 154,325	153,088
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	715,692	687,692
Amortization expenses	15,721	11,688
Expected credit loss	1,325	(1,023)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	8,993	(1,165)
Interest expenses	38,343	31,912
Interest income	(5,669)	(9,288)
Losses on disposal of property, plant and equipment	3,425	8,403
Profit from lease modification	(2,295)	(750)
Losses on disposal of intangible assets	124	191
Impairment losses on non-financial assets	-	3,358
Reversal of impairment loss on non-financial assets	(1,817)	-
Total adjustments to reconcile profit	773,842	731,018
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	46	(46)
Decrease in accounts receivable	643	24,965
Decrease in accounts receivable - related parties	450	49
Decrease (increase) in other receivables	3,456	(7,806)
Decrease (increase) in inventories	34,076	(145,731)
(Increase) decrease in prepayments	(10,581)	3,776
Decrease in other financial assets	120,000	15,000
Increase (decrease) in contract liabilities	18,812	(7,365)
Increase (decrease) in notes payable	85	(73)
Decrease in accounts payable	(43,916)	(112,143)
Increase (decrease) in accounts payable - related parties	1,273	(79,193)
(Decrease) increase in other payables	(29,834)	75,973
Decrease in provisions	-	(2)
Decrease in other current liabilities	(21,366)	(42,497)
Total adjustments	846,986	455,925
Cash inflow generated from operations	1,001,311	609,013
Interest received	6,117	9,601
Interest paid	(38,047)	(31,818)
Income taxes paid	(47,559)	(23,817)
Net cash flows generated from operating activities	921,822	562,979
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	-	(55,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	6,510
Acquisition of subsidiaries (Net of cash acquired)	-	(89,267)
Acquisition of property, plant and equipment	(465,891)	(272,784)
Proceeds from disposal of property, plant and equipment	345	1,342
Increase in guarantee deposits paid	(6,971)	(13,099)
Acquisition of intangible assets	(5,511)	(2,945)
Decrease in other financial assets	16,117	3,719
Net cash flows used in investing activities	(461,911)	(421,524)
Cash flows from (used in) financing activities:		
Increase in short-term notes and bills payable	7,993	-
Increase in guarantee deposits received	6,660	-
Decrease in guarantee deposits received	-	(7,091)
Payments of lease liabilities	(513,529)	(494,374)
Cash dividends paid	(101,250)	(81,000)
Distribution of dividends by subsidiaries to non-controlling interests	(1,669)	-
Net cash flows used in financing activities	(601,795)	(582,465)
Net decrease in cash and cash equivalents	(141,884)	(441,010)
Cash and cash equivalents at beginning of period	472,471	913,481
Cash and cash equivalents at end of period	**$ 330,587**	**472,471**

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of
Simple Mart Retail Co., Ltd.:

Opinion

We have audited the financial statements of Simple Mart Retail Co., Ltd. ("the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Recognition of retail sales revenue:

   Please refer to Note 4(m) for the accounting policy of the recognition of retail sales revenue and Note 6(o) for the details of related disclosures.

   Description of the key audit matter:

   Retail sales revenue is generated by point of sale (POS) terminals, which record sales information (inclusive of merchandise name, quantity, sales price, and total sales amount) of each transaction using pre-established merchandise master file data. After the daily closing process, the store sales information is uploaded to the ERP (enterprise resource planning) system, which summarizes all sales and automatically generates sales revenue journal entries.

   As retail sales revenue comprises numerous small amount transactions and highly relies on the system transition, the process of summarizing and recording sales revenue through these systems are important with regard to the accuracy of the recognition of retail sales revenues, and thus has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including evaluating the control of which sales information in POS terminals was periodically transferred to the ERP system and automatically generated sales revenue journal entries, and inspecting the amount consistency between daily cash reports and bank statement.

2. Impairment Assessment of Goodwill and Intangible Assets Arising from Investments in Subsidiaries:

Please refer to Note 4(l) of the individual financial statements for the accounting policies related to the impairment of non-financial assets; to Note 5 for information regarding the accounting estimates and assumptions related to the impairment assessment of goodwill and intangible assets; and to Note 6(f) for details on the impairment assessment of goodwill and intangible assets.

Description of the key audit matter:

Simple Mart Retail Co., Ltd. and its subsidiaries recognized goodwill and intangible assets arising from the acquisition of subsidiaries, which are presented within the carrying amount of investments accounted for using the equity method in the individual financial statements. The impairment assessment of goodwill and intangible assets involves various assumptions and estimates made by management. Given that these estimates rely heavily on subjective judgment and involve a high degree of uncertainty, the related accounting treatment has thus been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including assessing management's identification of the cash generating units and considering whether the carrying amounts allocated to those units were fully included. We further evaluated the financial assumptions adopted by management and reviewed the supporting explanations regarding recoverable amounts, verified the reasonableness of management's assumptions and the accuracy of its calculations based on available relevant information, and assessed the appropriateness of the disclosures relating to the aforementioned asset impairments.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiao, Pei-Ju and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
February 11, 2026

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 215,354	4	373,458	6
1150	Notes receivable, net (note 6(c))	-	-	46	-
1170	Accounts receivable, net (note 6(c))	45,155	1	46,929	1
1180	Accounts receivable - related parties, net (notes 6(c) and 7)	3,206	-	4,771	-
1197	Finance lease receivable-current (notes 6(d) and 7)	843	-	827	-
1200	Other receivables (note 7)	23,951	-	30,597	1
1300	Inventories (note 6(e))	1,545,744	26	1,613,358	28
1410	Prepayments (note 7)	36,263	1	22,104	-
1476	Other current financial assets (notes 6(a) and 8)	200	-	120,200	2
		1,870,716	32	2,212,290	38
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non current (notes 6(b)(q) and 13)	997	-	10,000	-
1551	Investments accounted for using the equity method (notes 6(f) and 7)	434,813	8	354,760	6
1600	Property, plant and equipment (notes 6(g) and 7)	1,515,538	26	1,286,509	22
1755	Right-of-use assets (note 6(h))	1,812,294	31	1,795,822	31
1780	Intangible assets	9,905	-	9,394	-
1840	Deferred tax assets (note 6(l))	41,515	1	33,558	1
1920	Guarantee deposits paid (note 7)	105,071	2	99,877	2
194D	Finance lease receivable - non-current (notes 6(d) and 7)	1,441	-	2,284	-
1980	Other non-current financial assets (notes 6(a) and 8)	4,009	-	20,126	-
		3,925,583	68	3,612,330	62
	Total assets	**$ 5,796,299**	**100**	**5,824,620**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Contract liabilities - current (note 6(o))	$ 70,548	1	49,154	1
2150	Notes payable (note 6(q))	165	-	80	-
2170	Accounts payable (note 6(q))	1,104,673	19	1,191,538	21
2180	Accounts payable - related parties (notes 6(q) and 7)	33,883	1	14,932	-
2200	Other payables (notes 6(i)(q) and 7)	580,323	10	640,797	11
2280	Lease liabilities - current (notes 6(j)(q)(t) and 7)	441,433	8	438,784	8
2300	Other current liabilities	39,478	1	82,994	2
		2,270,503	40	2,418,279	43
	Non-Current liabilities:				
2527	Contract liabilities - non-current (note 6(o))	2,420	-	4,653	-
2550	Non-current provisions	28,808	-	10,042	-
2570	Deferred tax liabilities (note 6(l))	4,336	-	1,094	-
2580	Lease liabilities - non-current (notes 6(j)(q)(t) and 7)	1,411,325	24	1,410,672	24
2645	Guarantee deposits received (notes 6(q) and 7)	85,732	2	79,071	1
		1,532,621	26	1,505,532	25
	Total liabilities	3,803,124	66	3,923,811	68
	Equity: (note 6(m))				
3110	Ordinary share	675,000	12	675,000	12
3200	Capital surplus	1,055,235	18	1,001,310	17
	Retained earnings:				
3310	Legal reserve	92,640	1	79,000	1
3350	Unappropriated retained earnings	170,300	3	145,499	2
		262,940	4	224,499	3
	Total equity	1,993,175	34	1,900,809	32
	Total liabilities and equity	**$ 5,796,299**	**100**	**5,824,620**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(o) and 7)	$ 13,922,806	100	13,734,660	100
5000	**Operating costs** (notes 6(e)(l) and 7)	10,171,595	73	10,043,020	73
	Gross margin from operations	3,751,211	27	3,691,640	27
	Operating expenses: (notes 6(c)(g)(h)(j)(k)(p), 7 and 12)				
6100	Selling expenses	3,172,589	23	3,105,512	22
6200	Administrative expenses	392,950	3	366,709	3
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	1,222	-	264	-
	Total operating expenses	3,566,761	26	3,472,485	25
	Net operating income	184,450	1	219,155	2
	Non-operating income and expenses:				
7100	Interest income (notes 6(j) and 7)	4,599	-	8,708	-
7190	Other income (note 7)	37,309	-	18,484	-
7230	Foreign exchange gains	520	-	1,498	-
7235	Gains (losses) on financial assets at fair value through profit or loss	(9,003)	-	1,165	-
7070	Share of gain or loss of subsidiaries, associates and joint ventures accounted for using equity method, net	(19,299)	-	(30,090)	(1)
7510	Interest expenses (notes 6(j) and 7)	(33,922)	-	(29,842)	-
7590	Miscellaneous disbursements (note 7)	(2,683)	-	(10,741)	-
7610	Losses on disposals of property, plant and equipment (notes 6(g) and 7)	(1,519)	-	(4,699)	-
7670	Impairment losses and reversal (notes 6(g) and (h))	1,817	-	(3,358)	-
		(22,181)	-	(48,875)	(1)
	Profit from continuing operations before tax	162,269	1	170,280	1
7950	**Less: Income tax expenses** (note 6(l))	18,005	-	33,881	-
	Profit	144,264	1	136,399	1
8300	**Other comprehensive income, net of tax**	-	-	-	-
8500	**Total comprehensive income**	**$ 144,264**	**1**	**136,399**	**1**
9750	Basic earnings per share (note 6(n))	**$ 2.14**		**2.02**	
9850	Diluted earnings per share (note 6(n))	**$ 2.13**		**2.02**	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Others	Total equity
Balance at January 1, 2024	$ 675,000	1,001,310	69,044	100,056	-	1,845,410
Distribution of retained earnings:						
Legal reserve appropriated	-	-	9,956	(9,956)	-	-
Cash dividends of ordinary share	-	-	-	(81,000)	-	(81,000)
	-	-	9,956	(90,956)	-	(81,000)
Net income	-	-	-	136,399	-	136,399
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	136,399	-	136,399
Balance at December 31, 2024	675,000	1,001,310	79,000	145,499	-	1,900,809
Distribution of retained earnings:						
Legal reserve appropriated	-	-	13,640	(13,640)	-	-
Cash dividends of ordinary share	-	-	-	(101,250)	-	(101,250)
	-	-	13,640	(114,890)	-	(101,250)
Net income	-	-	-	144,264	-	144,264
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	144,264	-	144,264
Other	-	-	-	-	(511)	(511)
Changes in ownership interests in subsidiaries	-	53,925	-	(4,573)	511	49,863
Balance at December 31, 2025	**$ 675,000**	**1,055,235**	**92,640**	**170,300**	**-**	**1,993,175**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SIMPLE MART RETAIL CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	$ 162,269	170,280
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	637,683	635,044
Amortization expenses	10,298	8,084
Expected credit loss	1,222	264
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	9,003	(1,165)
Interest expenses	33,922	29,842
Interest income	(4,599)	(8,708)
Shares of loss of subsidiaries, associates and joint ventures accounted for using the equity method	19,299	30,090
Losses on disposal of property, plant and equipment	1,519	4,699
Profit from lease modification	(797)	(23)
Losses on disposal of intangible assets	49	191
Impairment losses on non-financial assets	-	3,358
Reversal of impairment loss on non-financial assets	(1,817)	-
Total adjustments to reconcile profit	705,782	701,676
Changes in operating assets and liabilities:		
Decrease (increase) notes receivable	46	(46)
Decrease in accounts receivable	552	14,018
Decrease (increase) in accounts receivable - related parties	1,565	(450)
Decrease (increase) in other receivables	6,534	(23,152)
Decrease (increase) in inventories	67,614	(128,634)
Increase (decrease) in prepayments	(14,159)	9,072
Decrease in other financial assets	120,000	-
Increase (decrease) in contract liabilities	19,161	(2,530)
Increase (decrease) in notes payable	85	(73)
Decrease in accounts payable	(86,865)	(127,147)
Increase in accounts payable - related parties	18,951	8,630
Increase in other payables	9,574	63,604
Decrease in other current liabilities	(21,071)	(42,690)
Total adjustments	827,769	472,278
Cash inflow generated from operations	990,038	642,558
Interest received	4,659	8,547
Interest paid	(33,643)	(29,754)
Income taxes paid	(45,165)	(23,776)
Net cash flows generated from operating activities	915,889	597,575
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	-	(10,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	6,510
Acquisition of investments accounted for using the equity method	(50,000)	(246,000)
Acquisition of property, plant and equipment	(486,615)	(251,471)
Proceeds from disposal of property, plant and equipment	28	1,342
Increase in guarantee deposits paid	(5,194)	(10,559)
Acquisition of intangible assets	(5,234)	(1,938)
Decrease in finance lease receivable	879	877
Decrease in other financial assets	16,117	3,719
Net cash flows used in investing activities	(530,019)	(507,520)
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	6,661	-
Decrease in guarantee deposits received	-	(7,043)
Payment of lease liabilities	(449,385)	(452,787)
Cash dividends paid	(101,250)	(81,000)
Net cash flows used in financing activities	(543,974)	(540,830)
Net (decrease) increase in cash and cash equivalents	(158,104)	(450,775)
Cash and cash equivalents at beginning of period	373,458	824,233
Cash and cash equivalents at end of period	**$ 215,354**	**373,458**

See accompanying notes to parent company only financial statements.

Annex 6. COMPARISON OF AMENDMENTS OF THE "OPERATIONAL PROCEDURES FOR LOANING FUNDS"

Article	Before	After	Notes
Article 1	For the purpose of meeting business needs ~~and without violating Article 15 of the Company Act,~~ the Company hereby establishes these Procedures. (omitted)	For the purpose of meeting business needs for lending funds to others, the Company hereby establishes these Procedures for compliance. (omitted)	Text revised as appropriate.
Article 2	These Procedures are established in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ~~issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC")~~ and other applicable laws and regulations.	These Procedures are established in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies (hereinafter referred to as the "Regulations") and other applicable laws and regulations.	Deleted to maintain flexibility in the application of the name of the competent authority in this Article.
Article 3	Funds lending to recipients 1. Companies ~~or firms~~ having business dealings with the Company. 2. Companies ~~or firms~~ with short-term financing needs. "Short-term" refers to ~~a period of~~ one year ~~or one operating cycle (whichever is longer)~~.	The recipient of the loan and funds 1. Companies having business dealings with the Company. "Business dealings" refers to purchase or sales transactions with the Company. 2.Companies with short-term financing needs, "Short-term" refers to one year.	Title adjusted and definition of business dealings clarified.
Article 4	Where the Company engages in lending funds ~~due to short-term financing needs as approved~~ by the Board of Directors, such lending shall be limited to the following circumstances: ~~1.~~Companies in which the Company holds more than 50% of shares due to companies must have short-term financing needs due to business operations. ~~2.Other companies or firms requiring short-term financing for procurement or operational turnover.~~	Where the Company engages in lending funds as deemed necessary by the Board of Directors, such lending shall be limited to the following circumstances: 1. Companies having business dealings with the Company: Lending shall be limited to those requiring funds for procurement or operational turnover. 2. Companies requiring short-term financing: The Company may only lend to companies in which it directly or indirectly holds more than 50% of shares, and such companies must have short-term financing needs due to business operations.	The wording has been revised to align with practical operations.
Article 5	The limits on the total amount of fund lending and the limits for individual targets are as follows: 1. The total amount of fund lending by the Company shall not exceed 40% of the Company's net worth. 2. For companies ~~or firms~~ with business dealings, individual lending ~~shall~~ not exceed the amount of business dealings, and the total amount of such lending ~~shall~~ not exceed 20% of the Company's net worth. ~~The term "amount of business dealings" refers to the higher of the~~	The limits on the total amount of fund lending and the limits for individual targets are as follows: 1. The total amount of fund lending by the Company must not exceed 40% of the Company's net worth. 2. For companies with business dealings: (1) Individual lending must not exceed the amount of business dealings. Refer to the higher of the purchase or sale amount between the two parties in the past year. (2) The total amount of such lending must not	Adjusted lending limits based on group planning and the nature of the loan; minor wording adjustment.

Article	Before	After	Notes
	~~purchase or sale amount between the two parties in the past year.~~ 3. For companies ~~or firms~~ with short-term financing needs, individual lending ~~shall~~ not exceed ~~10%~~ of the Company's net worth, and the total amount of such lending ~~shall~~ not exceed ~~20%~~ of the Company's net worth. (Omitted) For fund lending between foreign subsidiaries in which the Company directly and indirectly holds 100% of the voting shares, or fund lending to the Company by foreign companies in which the Company directly and indirectly holds 100% of the voting shares, the total amount and individual limits shall be handled in accordance with the " Operational Procedures For Loaning Funds " established by each subsidiary; ~~the duration of each fund lending shall principally be within one year.~~	exceed 20% of the Company's net worth. 3. For companies with short-term financing needs: (1) Individual lending must not exceed 20% of the Company's net worth. (2) The total amount of such lending must not exceed 40% of the Company's net worth. (Omitted) For fund lending between foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares, or fund lending to the Company by foreign subsidiaries in which the Company directly or indirectly holds 100% of the voting shares, such lending shall not be subject to the restrictions of Paragraph 1, Item 3. However, the foreign subsidiary shall still be required to establish limits for the total amount of fund lending, limits for individual targets, and the duration of the lending. Such lending limits shall be handled in accordance with the " Operational Procedures For Loaning Funds " established by each subsidiary.	
Article 6	The duration of each fund lending ~~shall principally be within~~ one year.	The duration of each fund lending must not exceed one year.	Text revised as appropriate to match practical operations.
Article 7	The interest rate of the Company's fund lending shall not be lower than the highest rate of the Company's short-term borrowings from financial institutions. If the Company had short-term borrowings at the time of lending, the interest rate shall not be lower than the one-year fixed deposit interest rate of the Bank of Taiwan ~~on the date of the Board of Directors' resolution~~. Interest collection shall ~~principally be paid once a month; the borrower shall be notified to pay interest within~~ one week of the agreed date. In case of special circumstances, it may be adjusted according to actual needs upon the approval of the Board of Directors.	The interest rate of the Company's fund lending shall not be lower than the highest rate of the Company's short-term borrowings from financial institutions in the month prior to the disbursement of the loan. If the Company had no short-term borrowings in the month prior to the lending, the interest rate shall not be lower than the then-current one-year fixed deposit interest rate of the Bank of Taiwan. Interest collection shall be calculated as simple interest on a daily basis; the handling unit shall notify the borrower to pay interest no later than one week before the agreed date. In case of special circumstances, it may be adjusted according to actual needs upon the approval of the Board of Directors.	Text revised as appropriate to match practical operations.
Article 8	Decision-making Level When the Company intends to lend funds to others, it shall be approved by the Audit Committee and then submitted to the Board of Directors for resolution; no other person may be authorized to decide. Fund lending between the Company and its parent company or subsidiaries, or between subsidiaries, shall be approved by the Audit Committee and submitted to the Board of Directors for resolution in accordance with the preceding paragraph. The Chairman may be authorized to make multiple disbursements or	Decision-making and Authorization Level When the Company intends to lend funds to others, it shall be approved by the Audit and Risk Management Committee and then submitted to the Board of Directors for resolution; no other person may be authorized to decide. Fund lending between the Company and its parent company or subsidiaries, or between subsidiaries, shall be approved by the Audit and Risk Management Committee and submitted to the Board of Directors for resolution in accordance with the preceding paragraph. The Chairman may be authorized to make multiple	Adjusted title and wording

Article	Before	After	Notes
	provide a revolving credit line for the same borrower within a certain amount decided by the Board of Directors and for a period not exceeding one year. The "certain amount" mentioned in the preceding paragraph, unless it complies with Article 5, Paragraph 1, Item ~~2~~, the authorized limit for fund lending to a single enterprise by the Company or its subsidiaries shall not exceed 10% of that company's most recent financial statement's net worth. (Omitted)	disbursements or provide a revolving credit line for the same borrower within a certain amount decided by the Board of Directors and for a period not exceeding one year. The "certain amount" mentioned in the preceding paragraph, unless it complies with Article 5, Paragraph 1, Item 3, the authorized limit for fund lending to a single enterprise by the Company or its subsidiaries shall not exceed 10% of the Company's or the subsidiary's most recent financial statement's net worth. (Omitted)	
Article 9	1. ~~Executing~~ Department The handling of fund lending to others shall be the responsibility of the ~~Accounting and Finance~~ Department; the General Manager may designate other specialized personnel to assist if necessary. 2. Review Procedures and Loan Approval (1) Credit Investigation A thorough credit investigation shall be conducted for all companies ~~or businesses~~ applying for loans, in accordance with the following principles: A. For first-time borrowers, the borrower must submit copies of ~~relevant corporate certificates~~ and identification documents of the responsible person, as well as provide necessary financial information, to facilitate the credit investigation. (Omitted) (2) Review and Evaluation ~~For all loans within the limits specified in Article 5,~~ the borrower shall complete an application form, and the handling unit shall prepare a specific review and evaluation report. The evaluation report shall include the following items: A. The necessity and reasonableness of ~~extending the loan to the borrower~~. B. Credit and risk assessment of the target. C. Impact on the Company's operational risk, financial status, and shareholders' equity. D. Whether collateral should be obtained and its appraised value. (3) Loan Approval 1. Following review and evaluation, if the borrower's credit rating is poor or there are other reasons to deem the loan unsuitable, the handling ~~officer~~ shall submit the	1. Responsible Department The handling of fund lending to others shall be the responsibility of the Finance Department; the General Manager may designate other specialized personnel to assist if necessary. 2. Review Procedures and Loan Approval (1) Credit Investigation Except for subsidiaries in which the Company holds 100% of the voting shares, a thorough credit investigation shall be conducted for all companies applying for loans, in accordance with the following principles: A. For first-time borrowers, the borrower must submit copies of the company's most recent registration change form and identification documents of the responsible person, as well as provide necessary financial information, to facilitate the credit investigation. (Omitted) (2) Review and Evaluation The borrower shall complete an application form, and the handling department shall prepare a specific review and evaluation report. The evaluation report shall include the following items: A. The necessity and reasonableness of the loan. B. Credit and risk assessment of the target. C. Impact on the Company's operational risk, financial status, and shareholders' equity. D. Whether collateral should be obtained and its appraised value. E. For lending to companies with business dealings, assess whether the loan amount is commensurate with the amount of business dealings. (3) Loan Approval 1. Following review and evaluation, if the borrower has poor credit or if there are other reasons to deem the loan unsuitable, the handling department shall submit the	The text has been revised as appropriate to align with practical operations.

Article	Before	After	Notes
	reasons for the denial for approval and promptly notify the borrower. 2. Following review and assessment, for cases where the credit rating is good, the purpose of the loan is legitimate, and there is no adverse impact on the Company's financial operations or shareholders' equity, the ~~handling officer~~ shall submit the credit investigation and review report, together with the proposed loan amount, term, interest rate, and other relevant information, to the General Manager and the Chairman for approval. The loan may only be processed after submission to approval by the Board of Directors for resolution in accordance with the provisions of Article 8. 3. Notification to the Borrower Once a loan application has been approved, the handling ~~officer~~ shall ~~promptly~~ notify the borrower ~~in writing or by telephone~~, detailing the Company's loan terms, including the loan amount, term, interest rate, collateral, and guarantors. The borrower shall be requested to sign the contract within the specified timeframe. Disbursement of funds shall be made only after interests ~~(~~mortgages~~)~~ has been established and the guarantor verification procedures have been completed. 4. Contract Signing and Verification (1) The ~~Executing~~ Department shall draft the ~~terms of the loan agreement~~. After review by the ~~supervisor~~ and approval by the legal department, the signing procedures shall be carried out. (2) The content of the loan agreement must correspond to the approved loan terms. After the borrower and joint guarantor have signed and affixed their seals to the agreement, the handling ~~officer~~ shall complete the verification procedures. 5. Security (1) When the Company lends funds to others, it shall obtain a promissory note for the equal value. If necessary, the borrower shall be required to provide collateral ~~equivalent~~ to the loan amount, and procedures for establishing a pledge or mortgage shall be completed to secure the Company's claims.If the borrower provides an individual or company with sufficient financial strength and creditworthiness as a guarantor in lieu of collateral, the Board of Directors may proceed in accordance with the recommendations of the ~~Finance and~~	reasons for non-approval for approval and promptly notify the borrower. 2. Following review and evaluation, for cases where the credit rating is good, the purpose of the loan is legitimate, and there is no adverse impact on the Company's financial operations or shareholders' rights, the handling department shall submit the credit report and review/evaluation report, together with the proposed loan amount, term, and the tentative interest rate, to the General Manager and the Chairman for approval. The loan may only be processed after submission to the Audit and Risk Management Committee for review in accordance with Article 8 and approval by the Board of Directors. 3. Notification to the Borrower Once a loan application has been approved by the Board of Directors, the handling department shall notify the borrower, detailing the Company's loan terms, including the loan amount, term, tentative interest rate, collateral, and guarantors. The borrower shall be requested to sign the contract within the specified timeframe. Disbursement shall be made only after the collateral/mortgage has been established and the guarantor verification procedures have been completed. 4. Contract Signing and Verification (1) The Responsible Department shall draft the loan agreement. After review by the department's senior manager and approval by the legal department, the signing procedures shall be carried out. (2) The content of the loan agreement must be consistent with the approved loan terms. After the borrower and joint guarantor have signed and affixed their seals to the loan agreement, the handling Department shall complete the verification procedures. 5. Security (1) When the Company lends funds to others, it shall obtain promissory notes of equal value from both the borrower and the guarantor. If necessary, the borrower shall be required to provide collateral with a market value of no less than 120% of the loan amount, and procedures for establishing a pledge or mortgage shall be completed to secure the Company's claims.If the borrower provides an individual or company with sufficient financial strength and creditworthiness as a guarantor in lieu of collateral, the Board of Directors may proceed in accordance	

Article	Before	After	Notes
	~~Accounting~~ Department; if a company acts as the guarantor, the guarantor company's articles of incorporation must include provisions authorizing it to act as a guarantor, and minutes of the relevant resolutions adopted by its shareholders' meeting or board of directors. (2) Except for land and marketable securities, all collateral must be insured against fire risks~~; vessels and vehicles must be insured under comprehensive coverage.~~ The insured amount shall, in principle, be no less than ~~the appraised value of~~ the collateral, and the insurance policy shall be endorsed to name the Company as the beneficiary. The names, quantities, storage locations, insurance terms, and endorsements of the insured items listed on the policy shall be consistent with the Company's original loan approval conditions; if a building has not yet been assigned a street address at the time of establishment, its address shall be indicated by the lot and parcel numbers of the land located at. (3) The ~~Executing Department~~ shall ensure that the borrower is notified to renew the insurance coverage before the policy expires. 6. Disbursement Once a loan application has been approved and ~~processed~~ have been completed, and after verification by ~~the Finance and Accounting Department~~ confirms that there are no errors, the funds may be disbursed.	with the recommendations of the Responsible Department; if a company acts as the guarantor, the guarantor company's articles of incorporation must include provisions authorizing it to act as a guarantor, and minutes of the relevant resolutions adopted by its shareholders' meeting or board of directors. The seal used by the guarantor company to execute the guarantee must match the registered company and responsible person seals on its most recent registration amendment form. (2) Except for land and marketable securities, all collateral must be insured against fire and other relevant risks. The insured amount shall, in principle, be no less than the value of the collateral or the mortgage amount, and the insurance policy shall designate the Company as the beneficiary.The names, quantities, storage locations, insurance terms, and endorsements of the insured items listed on the policy shall be consistent with the Company's original loan approval conditions; if a building has not yet been assigned a street address at the time of establishment, its address shall be indicated by the lot and parcel numbers of the land located at . (3) The Responsible Department shall ensure that the borrower is notified to renew the insurance policy before the policy expires. 6. Disbursement Once a loan application has been approved and all procedures have been completed, the Responsible Department confirms that there are no errors, the funds may be disbursed.	
Article 10	~~1. The Company shall, by the 10th day of each month, publicly announce and report the outstanding balance of funds lent by the Company and its subsidiaries for the previous month.~~ ~~2. If the outstanding balance of loans extended by the Company and its subsidiaries meets any of the following criteria, the Company shall, within two days from the date the event occurs, submit a public disclosure report via the information reporting website designated by the Financial Supervisory Commission in accordance with regulations:~~ ~~(1) The outstanding balance of funds lent by the Company and its subsidiaries to third parties reaches 20% or more of the net worth as shown~~	With regard to loan transactions, the Company shall comply with relevant regulations for any matters required to be reported or announced to the competent authority. Where a subsidiary of the Company is not a domestic publicly traded company and there are matters required to be announced or reported pursuant to regulations, the Company shall make such announcements or reports on its behalf.	The original provisions regarding information reporting have been deleted and replaced with a requirement to comply with the regulations of the competent authority.

Article	Before	After	Notes
	~~in the Company's most recent financial statements.~~ ~~(2) The outstanding balance of loans made by the Company and its subsidiaries to a single enterprise reaches 10% or more of the net worth as shown in the Company's most recent financial statements.~~ ~~(3) The amount of new loans extended by the Company or its subsidiaries reaches NT$10 million or more and constitutes 2% or more of the Company's net worth as shown in its most recent financial statements.~~ ~~3. Where a subsidiary of the Company is not a domestic publicly traded company, the Company shall be responsible for making the disclosure and filing required under Subparagraph 3 of Paragraph 2 of this Article on behalf of such subsidiary.~~ ~~4. The "date of occurrence" referred to in Paragraph 2 means the earlier of the transaction signing date, payment date, board resolution date, or any other date sufficient to determine the transaction counterparty and transaction amount.~~		
Article 11	1. When a borrower repays a loan upon maturity, the borrower shall first calculate the interest due and settle it together with the principal ~~before~~ the promissory note or other debt instrument ~~may be canceled and returned~~ to the borrower. 2. If a borrower applies for the cancellation of a mortgage, the Company shall first verify whether there is any outstanding loan ~~balance before deciding whether to approve~~ the cancellation of the mortgage.	1. When a borrower repays a loan upon maturity, the borrower shall first calculate the interest due and settle it together with the principal; only then may the Company return the promissory note or other debt instruments to the borrower. 2. If a borrower applies for the cancellation of a pledge or mortgage, the Company shall first verify whether there are any outstanding loan amounts or interest before proceeding with the cancellation of the pledge or mortgage.	The wording has been revised to align with practical operations.
Article 12	(Omitted) For loan cases handled, the ~~Executing Department~~, after disbursement, shall organize the ~~agreement~~, promissory notes, and other credit certificates, as well as collateral documents, insurance policies, and correspondence in order. ~~These shall be submitted to designated finance personnel for custody, with the contents and customer name marked on the envelope, and presented to the supervisor for inspection. Once verified, they shall be stored in a safe, and recorded in the custody registration log~~.	(Omitted) For loan cases handled, the Responsible Department, after disbursement, shall organize the loan agreement, promissory notes, and other credit certificates, as well as collateral documents, insurance policies, and correspondence in order, and register them for custody.	The text has been revised as appropriate to align with practical operations.
Article 13	1. After the loan is disbursed, the ~~Executing Department shall complete the "Detailed Record of Funds Loaned to Others." After approval by the supervisor, the original shall be submitted to the finance staff for retention, and the duplicate shall be retained by the staff member for use as a record for subsequent tracking.~~	1. After the loan is disbursed, the Responsible Department shall regularly monitor the financial, business, and credit conditions of the borrower and guarantor. If collateral has been provided, the staff member shall also monitor any changes in its value. In the event of significant changes, the General Manager shall be notified immediately, and	Incorporate into post-loan monitoring procedures.

Article	Before	After	Notes
	~~Furthermore~~, the ~~staff~~ shall regularly monitor the financial, business, and credit conditions of the borrower and guarantor. If collateral has been provided, the staff member shall also monitor any changes in its value. In the event of significant changes, the General Manager shall be notified immediately, and appropriate action shall be taken in accordance with instructions. 2. The borrower shall repay the principal and interest upon maturity. ~~In case of violation~~, the Company may dispose of the collateral or pursue the guarantor ~~per law~~.	appropriate action shall be taken in accordance with instructions. 2. The borrower shall repay the principal and interest upon maturity. If the loan remains unrecoverable after collection efforts, the Company may dispose of the collateral or pursue the guarantor, and shall report to the most recent Board of Directors meeting. 3. If, due to a change in circumstances, the borrower no longer meets the criteria of these operating procedures or the outstanding balance exceeds the limit, the Company shall formulate a corrective action plan, submit the relevant plan to the Audit and Risk Management Committee for review, and complete the corrective actions in accordance with the plan's timeline.	
Article 14	The Company's internal auditors shall audit the procedures for lending funds to others and their implementation at least once every quarter and prepare written records; if any material violations are discovered, they shall immediately notify the Audit Committee in writing.	The Company's internal auditors shall audit the procedures for lending funds to others and their implementation at least once per quarter and prepare written records; if any material violations are discovered, they shall immediately notify the Audit and Risk Management Committee in writing.	Text revised as appropriate.
Article 15	1. ~~If~~ a subsidiary of the Company intends to lend funds to others, the Company shall ~~urge~~ such subsidiary to establish operating procedures for lending funds to third parties in accordance with the ~~Financial Supervisory Commission's~~ "Regulations ~~Governing the Lending of Funds and Endorsement Guarantees by Publicly Traded Companies~~". 2. ~~When~~ a subsidiary lending funds to others, ~~it shall apply to the Company for approval and may only proceed after following the prescribed procedures.~~ The ~~Accounting and Finance~~ Department ~~and~~ personnel designated by the General Manager shall evaluate the necessity, rationality, risk, and impact on the parent and subsidiary's operations, finances, and equity, and report to the General Manager and Chairman for approval. 3. The ~~Accounting and Finance~~ Department shall obtain the detailed list of fund lending balances from each subsidiary at the beginning of each month. 4. The ~~Accounting and Finance~~ Department shall periodically evaluate whether each	1. When a subsidiary of the Company intends to lend funds to others, the Company shall require such subsidiary to establish operating procedures for lending funds to third parties in accordance with the "Regulations" and shall conduct such lending in accordance with the established procedures. 2.Prior to a subsidiary lending funds to others, it shall provide relevant data to the Company for reference. The Responsible Department or personnel designated by the General Manager shall evaluate the necessity, rationality, risk, and impact on the Company and subsidiary's operations, finances, and equity, and report to the General Manager and Chairman for approval. Only then may the Company's designated director representative express consent at the subsidiary's board meeting. 3. The Responsible department shall obtain the detailed list of fund lending balances from each subsidiary at the beginning of each month. 4. The Responsible department shall periodically evaluate whether each subsidiary's	The wording has been revised to align with practical operations.

Article	Before	After	Notes
	subsidiary's follow-up control measures and overdue claim procedures are appropriate. 5. Internal auditors shall periodically audit subsidiaries' ~~compliance with~~ their ~~procedures and prepare reports. Findings and suggestions shall be notified to subsidiaries for improvement after review, and follow-up reports shall be made to ensure timely corrective actions.~~	follow-up control measures and overdue claim procedures are appropriate. 5. Internal auditors shall periodically audit subsidiaries' procedures and their execution, and prepare written records. If material violations are discovered, the Audit and Risk Management Committee shall be notified in writing immediately.	
Article 16	~~**Penalties**~~ If the Company's ~~managers and responsible personnel~~, in handling the lending of funds to others, violate ~~the Financial Supervisory Commission's "Regulations Governing the Lending of Funds and Endorsement Guarantees by Publicly Traded Companies"~~ or ~~the Company's "Procedures for Lending Funds to Others,"~~ they shall be subject ~~to periodic evaluation and assessment~~ in accordance with the Company's Personnel Management ~~Measures and Work Rules, and~~ shall be commensurate with the severity of the ~~offense~~.	**Penalties for Violations of These Procedures** If the Company's managers or relevant departments violate applicable laws and regulations or the provisions of these operating procedures when handling the lending of funds to others, they shall be subject to disciplinary action in accordance with the Company's Personnel Management Regulations, commensurate with the severity of the violation.	The title of the provision has been adjusted and the text has been slightly revised.
Article 17	1. If, due to a change in circumstances, a borrower no longer meets the requirements of these operating procedures or the outstanding balance exceeds the limit, the Company shall formulate a corrective action plan, submit the plan to the Audit Committee for review, and complete the corrective actions in accordance with the plan's timeline. (Omitted)	1. If, due to a change in circumstances, the Company or a subsidiary find that a borrower no longer complies with these operating procedures or that the loan amount exceeds the limit, it shall formulate a corrective action plan, submit the plan to the Audit and Risk Management Committee for review, and complete the corrective actions in accordance with the plan's timeline. (Omitted)	Text revised to align with practical operations.
Article 19	The operating procedures shall be approved by more than half of all members of the Audit Committee, then passed by the Board of Directors, and submitted to the shareholders' meeting for approval. If any director expresses an objection and such objection is recorded or stated in writing, the Company shall submit the objection to the shareholders' meeting for discussion. ~~When the Company submits these operating procedures to the Board of Directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of each independent director and include their explicit consent or objection, as well as the reasons for any objection, in the minutes of the Board of Directors.~~ If the procedure referred to in Paragraph 1 is not approved by more than half of all members of the Audit Committee, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.	The operating procedures shall be approved by more than half of all members of the Audit and Risk Management Committee, then passed by the Board of Directors, and submitted to the shareholders' meeting for approval. If any director expresses an objection and such objection is recorded or stated in writing, the Company shall submit the objection to the shareholders' meeting for discussion. If the procedure referred to in Paragraph 1 is not approved by more than half of all members of the Audit and Risk Management Committee, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit and Risk Management Committee shall be recorded in the minutes of	The Company has established an Audit and Risk Management Committee; the wording has been revised to align with practical operations.

Article	Before	After	Notes
	The term “all members of the Audit Committee” in Paragraph 1 and the term “all directors” in the preceding paragraph shall refer to those actually in office.	the Board of Directors meeting. The term “all members of the Audit and Risk Management Committee” in Paragraph 1 and the term “all directors” in the preceding paragraph shall be calculated based on those actually in office.	
Article 20	These regulations were established on March 23, 2018. The 1st amendment was made on July 31, 2018. The 2nd amendment was made on May 24, 2019. The 3rd amendment was made on June 29, 2020.	These regulations were established on March 23, 2018. The 1st amendment was made on July 31, 2018. The 2nd amendment was made on May 24, 2019. The 3rd amendment was made on June 29, 2020. The 4th amendment was made on May 29, 2026.	Add the date of this amendment.

Annex 7. COMPARISON OF AMENDMENTS OF THE "OPERATIONAL PROCEDURES FOR ENDORSEMENTS/GUARANTEES"

Article	Before	After	Notes
Article 1	The Company has established these operating procedures to protect the rights and interests of shareholders, ensure sound financial management of endorsements and guarantees, and mitigate operational risks. Matters concerning the Company's external endorsements and guarantees shall be handled in accordance with the provisions of the operating procedures. ~~However, where other laws or regulations provide otherwise, such provisions shall prevail.~~	The Company has established these operating procedures to protect the rights and interests of shareholders, improve financial management regarding endorsements and guarantees, and mitigate operational risks shall be followed. Matters concerning the Company's external endorsements and guarantees shall be handled in accordance with provisions of the operating procedures, unless otherwise provided by laws and regulations.	Minor textual revisions.
Article 2	The operating procedures are established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" ~~issued by the Financial Supervisory Commission (hereinafter referred to as the FSC)~~.	The operating procedures are established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as the "Regulations") and relevant.	Deleted to maintain flexibility in the application of the name of the competent authority in this Article.
Article 4	Recipients of Endorsements and Guarantees The Company may provide endorsements/guarantees for the following companies: 1. Companies with business dealings with the Company. 2. The Company in which the Company directly and indirectly holds more than 50% of the voting shares. 3. The Company that directly and indirectly hold more than 50% of the voting shares in the Company. (Omitted) Where the Company, due to ~~the needs of contracting projects, provides mutual guarantees with peers or joint builders in accordance with contractual provisions, or~~ where all capital-contributing shareholders provide endorsements/guarantees for the invested company based on their shareholding ratios due to a joint investment relationship, such cases shall not be subject to the restrictions of the preceding two paragraphs and endorsements/guarantees may be provided. (Omitted)	Eligible Recipients of Endorsements and Guarantees The Company may provide endorsements/guarantees for the following companies: 1. Companies with business dealings; the term "business dealings" refers to those who have purchase or sale transactions with the Company. 2. The Company in which the Company directly and indirectly holds more than 50% of the voting shares. 3. The Company that directly and indirectly hold more than 50% of the voting shares in the Company. (Omitted) Where the Company, due to a joint investment relationship, has all capital-contributing shareholders provide endorsements/guarantees for the invested company based on their shareholding ratios, such cases shall not be subject to the restrictions of the preceding two paragraphs and endorsements/guarantees may be provided. (Omitted)	Text revised as appropriate to align with practical operations.
Article 5	The limits on the total amount of external endorsements/guarantees and the limits for single enterprises are as follows:	The limits on the total amount of external endorsements/guarantees and the limits for single enterprises are as follows:	In consideration of future group-wide

Article	Before	After	Notes
	1. The total amount of external guarantees shall not exceed ~~30~~% of the Company's net worth. 2. ~~The amount for a single enterprise~~, for guarantees provided in connection with business dealings, the amount shall not exceed 30% of the business transaction amount between the guaranteed company and the Company for the most recent year ~~or 120% of the business dealings in the past three months between the two parties, and shall not exceed 15% of the Company's net worth~~. ~~For parent-subsidiary relationships, it shall not exceed 15%~~ of the Company's net worth. ~~For mutual guarantees between peers for contracting projects~~ or joint investments where shareholders provide guarantees based on shareholding ratios, it shall not exceed ~~15%~~ of the Company's net worth. 3. The total amount of endorsements/guarantees for the Company and its subsidiaries as a whole shall not exceed ~~40%~~ of the Company's net worth. ~~The amount for a single enterprise shall not exceed 15% of the Company's net worth.~~ ~~4. If the target is a subsidiary whose net worth is lower than half of its paid-in capital, the following measures apply:~~ ~~(1) Resolution by the Board;~~ ~~(2) Obtain financial reports monthly~~ (Omitted) "Net worth" refers to the equity attributable to owners of the parent company on the balance sheet ~~as prescribed by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.~~	1. The total amount of external guarantees shall not exceed 50 % of the Company's net worth. 2. When providing endorsements/guarantees for a single enterprise, the limits are as follows: (1) For guarantees provided in connection with business dealings, the amount shall not exceed 30% of the business transaction amount between the guaranteed company and the Company for the most recent year, and shall not exceed 10% of the Company's net worth. (2) For 100% directly/indirectly owned subsidiaries, not to exceed 30% of the Company's net worth. (3) For subsidiaries not 100% directly/indirectly owned, not to exceed 10% of the Company's net worth. (4) For companies that directly/indirectly hold more than 50% of the Company's voting shares, not to exceed 10% of the Company's net worth. (5) For joint investments where shareholders provide guarantees based on shareholding ratios, not to exceed 10% of the Company's net worth. 3. The total amount of endorsements/guarantees for the Company and its subsidiaries as a whole shall not exceed 50% of the Company's net worth. (Omitted) The Procedures "net worth" refers to the equity attributable to owners of the parent company on the balance sheet most recently reviewed or audited by a CPA.	planning, the guarantee limit shall be adjusted according to nature, and the text shall be revised accordingly. Additionally, the current Article 1, Paragraph 4 shall be relocated to Article 13, Paragraph 3.
Article 6	The decision-making and authorization levels for the Company's endorsement and guarantee matters are as follows: 1. When the Company handles endorsement and guarantee matters, it shall follow the review procedures specified in Article 7, obtain the consent of the Audit Committee, and submit the matter to the Board of Directors for resolution; or the Chairman may make a decision within the authorization limit specified in Paragraph 4, subject to ratification by the Board of Directors at its next meeting. 2. When the Company issues endorsements or guarantees, if business needs necessitate exceeding the limits set forth in Article 5 and such actions meet the conditions stipulated in these operating procedures, the matter shall be approved by the Board of Directors, and a	The decision-making and authorization levels for the Company's endorsement and guarantee matters are as follows: 1. When the Company handles endorsement and guarantee matters, it shall follow the review procedures stipulated in Article 7, obtain the consent of the Audit and Risk Management Committee, and submit the matter to the Board of Directors for resolution; or the Chairman may act within the authorized limit specified in Paragraph 4, with subsequent ratification by the next Board of Directors meeting. 2. When the Company issues endorsement guarantees, if business needs necessitate exceeding the limits set forth in Article 5 and such issuance meets the conditions stipulated in these operating procedures, it shall be subject to the approval of the Board of	Text revised as appropriate.

Article	Before	After	Notes
	majority of the directors shall provide joint and several guarantees for any potential losses incurred by the Company due to the excess, and these operating procedures shall be amended and submitted to the General Meeting of Shareholders for ratification; if the General Meeting of Shareholders does not approve, a plan shall be formulated to eliminate the excess portion within a specified period. 3. (Omitted) 4. he amount of external endorsements and guarantees authorized for the Chairman to execute ~~up to~~ an amount not exceeding 10% of the Company's net worth. 5. (Omitted)	Directors, with a majority of the directors providing joint and several guarantees for any potential losses arising from the excess, and these operating procedures shall be amended and submitted to the General Meeting of Shareholders for ratification; if the General Meeting of Shareholders does not approve, a plan shall be established to eliminate the excess portion within a specified period. 3. (Omitted) 4. The amount of external endorsements and guarantees authorized for the Chairman to execute shall not exceed 10% of the Company's net worth. 5. (Omitted)	
Article 7	The procedures for handling and reviewing the Company's endorsements and guarantees are as follows: 1. Responsible Department ~~The Finance and Accounting Department~~ is responsible for handling matters related to the Company's endorsement guarantees; where necessary, the General Manager may designate other dedicated personnel to assist. 2. Review Procedures (1) (Omitted) (2) When the Company issues a guarantee, the department in charge shall submit a memorandum specifying the guarantor, the beneficiary, the type of guarantee, the rationale, and the amount, along with the assessment report referred to in subparagraph (1). This shall be submitted to the General Manager and the Chairman for approval, followed by the consent of the Audit Committee, and finally submitted to the Board of Directors for resolution and approval before proceeding. However, when business needs require it, the Chairman may first make a decision within the authorized limit specified in Article 6, Paragraph 1, Subparagraph 4, and subsequently seek ratification at the next Board of Directors meeting. The details of the transaction and related matters shall be reported to the Shareholders' Meeting for record. (Omitted) 4. ~~The Finance and Accounting~~ department shall maintain a record book for endorsement and guarantee matters, detailing the counterparty, amount, date of Board approval or Chairman's decision, date of endorsement or guarantee, and matters requiring prudent assessment pursuant to Paragraph (1) of Subparagraph 2.	The procedures for handling and reviewing the Company's endorsements and guarantees are as follows: 1. Responsible Department The Finance Department shall be responsible for handling matters related to the Company's endorsements and guarantees; where necessary, the General Manager may designate other dedicated personnel to assist in such matters. 2. Review Procedures (1) (Omitted) (2) When the Company issues a guarantee, the department in charge shall submit a memorandum specifying the guarantor, the beneficiary, the type of guarantee, the rationale, and the amount, along with the assessment report referred to in subparagraph (1), This shall be submitted to the General Manager and the Chairman for approval, followed by the consent of the Audit and Risk Management Committee for consent and to the Board of Directors for resolution before proceeding. However, when business needs require it, the Chairman may first approve the matter within the authorized limit specified in Article 6, Paragraph 1, Subparagraph 4, and subsequently seek ratification at the next Board of Directors meeting. The details of the execution and related matters shall be reported to the Shareholders' Meeting for the record. (Omitted) 4. The responsible department shall maintain a record book for endorsement and guarantee matters, detailing the counterparty, amount, date of Board approval or Chairman's decision, date of endorsement or guarantee, and matters requiring prudent assessment pursuant to Paragraph (1) of Subparagraph 2.	Department names and wording have been adjusted in accordance with practical operational practices.

Article	Before	After	Notes
	5. ~~The Finance and Accounting~~ department shall prepare a statement of ~~changes in~~ the amount of external endorsements and guarantees for the previous month at the beginning of each month and submit it to the Board of Directors on a regular basis.	5. The responsible department shall prepare a statement of the outstanding balance of external endorsements and guarantees for the previous month at the beginning of each month and submit it to the Board of Directors on a regular basis.	
Article 8	(Omitted) When the Company provides guarantees to foreign companies, the guarantee letters issued shall be signed by the Chairman ~~upon~~ authorization by the Board of Directors.	(Omitted) When the Company provides guarantee to foreign companies, the guarantee letters issued shall be signed by the Chairman, unless otherwise authorized by the Board of Directors.	Text revised as appropriate.
Article 9	~~When the Company and its subsidiaries handle endorsement guarantee matters, if the following criteria are met, they shall, in accordance with regulations, submit public announcements via the information reporting website designated by the Financial Supervisory Commission:~~ ~~1. The Company shall, by the 10th day of each month, publicly announce and report the outstanding balance of endorsements and guarantees for the Company and its subsidiaries for the preceding month.~~ ~~2. If the Company's endorsement guarantee balance meets any of the following criteria, it shall be publicly reported within two days from the date the event occurs:~~ ~~(1) The aggregate endorsement guarantee balance of the Company and its subsidiaries reaches 50% or more of the net worth as shown in the Company's most recent financial statements.~~ ~~(2) The aggregate endorsement and guarantee balance of the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as shown in its most recent financial statements.~~ ~~(3) The aggregate balance of the Company's and its subsidiaries' endorsement guarantees for a single enterprise reaches NT$10 million or more, and the combined total of such endorsement guarantees, the carrying amount of investments accounted for under the equity method, and outstanding loan balances to that enterprise reaches 30% or more of the Company's net worth as shown in its most recent financial statements.~~ ~~(4) The amount of new guarantees provided by the Company or its subsidiaries reaches NT$30 million or more and constitutes 5% or more of the Company's net worth as shown in its most recent financial statements.~~ ~~3. Where a subsidiary of the Company is not a publicly listed company in Taiwan, the Company shall be responsible for making the required public announcements and filings under Subparagraph (4) of Paragraph 2 on behalf of such subsidiary.~~	With regard to endorsement guarantees, the Company shall handle all matters required to be reported or announced to the competent authority in accordance with the "Handling Guidelines" and relevant regulations. Where a subsidiary of the Company is not a publicly listed company in Taiwan and there are matters required to be announced or reported pursuant to regulations, the Company shall make such announcements or reports on its behalf.	Delete the original provisions regarding information reporting and amend them to comply with the regulations of the competent authority.

Article	Before	After	Notes
	~~4. The "date of occurrence" referred to in Paragraph 2 means the earlier of the contract execution date, the date of the board of directors' resolution, or any other date sufficient to determine the counterparty and amount of the endorsement or guarantee.~~		
Article 11	1. Where a subsidiary of the Company intends to provide an endorsement or guarantee for another party, the Company shall require such subsidiary to establish endorsement and guarantee operating procedures in accordance with ~~the Financial Supervisory Commission's "Regulations Governing Loans and Endorsements/Guarantees by Publicly Traded Companies~~." 2. ~~When~~ a subsidiary of the Company intends to provide an endorsement or guarantee for a third party, ~~it must first seek approval from the Company and proceed in accordance with the established operating procedures~~; the Company's ~~Finance and Accounting~~ Department and the personnel designated by the General Manager shall specifically assess the necessity, reasonableness, and risk of such endorsement or guarantee, as well as its impact on the operational risks, financial condition, and shareholders' equity of both the ~~parent~~ company and the subsidiary, and submit a report to the General Manager and the Chairman for approval. 3. ~~The Finance and Accounting~~ Department shall obtain a statement of changes in the amount of external guarantees provided by each subsidiary at the beginning of each month. 4. The Company's internal auditors shall periodically audit ~~each subsidiary's compliance with its~~ "Endorsement and Guarantee Procedures" ~~and prepare an audit report; after the findings and recommendations in the audit report have been reviewed and approved, the audited subsidiaries shall be notified to make improvements, and follow-up reports shall be prepared periodically to ensure that appropriate corrective measures have been taken in a timely manner.~~	1. Where a subsidiary of the Company intends to provide an endorsement or guarantee for another party, the Company shall require such subsidiary to establish endorsement and guarantee operating procedures in accordance with the "Regulations" and shall handle such matters in accordance with the established procedures. 2. Prior to a subsidiary of the Company intends to provide an endorsement or guarantee for a third party, it shall submit relevant information to the Company for review. The Company's responsible department or a dedicated officer appointed by the General Manager shall conduct a detailed assessment of the necessity and reasonableness of such endorsement or guarantee, the associated risks, and the impact on the operations, financial condition, and shareholders' equity of both the Company and the subsidiary. Only after obtaining approval from the General Manager and the Chairman may the representative appointed by the Company to serve as a director of the subsidiary express consent at the subsidiary's board of directors meeting. 3. The responsible department shall obtain a statement of changes in the amount of external guarantees provided by each subsidiary at the beginning of each month. 4. The Company's internal auditors shall periodically audit each subsidiary's "Endorsement and Guarantee Procedures" and their implementation, and prepare written records. If any material violations are discovered, they shall immediately notify the Company's Audit and Risk Management Committee in writing.	The wording has been revised to align with practical operations.
Article 12	**Penalties** If the Company's managers ~~and responsible personnel~~ violate ~~the Financial Supervisory Commission's "Guidelines for the Handling of Loans and Endorsements by Publicly Traded Companies"~~ or the provisions of these	**Penalties for Violations of These Operating Procedures** If the Company's managers and the responsible departments violate relevant laws and regulations or the provisions of these Operating Procedures while handling endorsement and guarantee operations, they	Adjustment of Article Titles and Minor Textual Revisions.

Article	Before	After	Notes
	operating procedures while handling endorsement and guarantee operations, ~~they shall be subject to evaluation~~ in accordance with the Company's Personnel Management Regulations ~~and Work Rules, and penalties shall be imposed based on the severity of the offense.~~	shall be disciplined in accordance with the severity of the violation under the Company's Personnel Management Regulations.	
Article 13	1. If, due to a change in circumstances, the subject of an endorsement or guarantee no longer complies with the provisions of these Operating Procedures or exceeds the amount limit, the Company shall formulate a corrective action plan, submit the relevant corrective action plan to the Audit Committee for review, and complete the corrective actions in accordance with the plan's timeline. 2. The Company shall assess or recognize contingent losses arising from endorsements and guarantees, appropriately disclose information regarding such endorsements and guarantees in financial reports, and provide relevant materials to the certifying accountant to perform necessary audit procedures.	1. If, due to a change in circumstances, the Company or a subsidiary find that the recipients of endorsements and guarantees no longer comply with the provisions of these operating procedures or that the amounts exceed the limits, it shall formulate a corrective action plan, submit the relevant corrective action plan to the Audit and Risk Management Committee, and complete the corrective actions in accordance with the plan's timeline. 2. The Company shall assess or recognize contingent losses arising from endorsements and guarantees, appropriately disclose information regarding such endorsements and guarantees in financial reports, and provide relevant materials to the certifying accountant to perform necessary audit procedures. 3. If the counterparty to an endorsement or guarantee by the Company or a subsidiary is a subsidiary with a net worth less than one-half of its paid-in capital, the following control measures shall be implemented: (1) Such guarantees may only be provided after approval by a resolution of the Board of Directors. (2) The Company shall obtain financial reports from the subsidiary on a monthly basis.	The wording has been revised, and the original Article 5, Paragraph 1, Subparagraph 4 has been moved to Paragraph 3 of this Article.
Article 15	The operating procedures shall be approved by a majority of at least two-thirds of all members of the Audit Committee, followed by approval by the Board of Directors, and shall be submitted to the shareholders' meeting for approval. If any director expresses an objection and such objection is recorded or stated in writing, the Company shall submit the objection to the shareholders' meeting for discussion. ~~When the Company submits these operating procedures to the Board of Directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of each independent director and include their clear opinions of consent or objection, as well as the reasons for any objection, in the minutes of the Board of Directors.~~ If the procedure referred to in Paragraph 1 is not approved by more than half of all members of the	The operating procedures shall be approved by more than half of all members of the Audit and Risk Management Committee, then adopted by the Board of Directors, and shall be submitted to the shareholders' meeting for approval; if any director expresses an objection and such objection is recorded or stated in writing, the Company shall submit the objection to the shareholders' meeting for discussion. If the matter referred to in Paragraph 1 is not approved by more than half of all members of the Audit and Risk Management Committee, it may	The Company has established an Audit and Risk Management Committee; the wording has been revised to align with practical operations.

Article	Before	After	Notes
	Audit Committee, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The term "all members of the Audit Committee" in Paragraph 1 and the term "all directors" in the preceding paragraph shall be calculated based on those actually in office.	be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit and Risk Management Committee shall be recorded in the minutes of the board meeting. The term "all members of the Audit and Risk Management Committee" in Paragraph 1 and the term "all directors" in the preceding paragraph shall be calculated based on those actually in office.	
Article 16	The regulations were established on March 23, 2018. The 1st amendment was made on July 31, 2018. The 2nd amendment was made on May 24, 2019. The 3rd amendment was made on June 29, 2020.	The regulations were established on March 23, 2018. The 1st amendment was made on July 31, 2018. The 2nd amendment was made on May 24, 2019. The 3rd amendment was made on June 29, 2020. The 4th amendment was made on May 29, 2026.	Add the date of this amendment.

IX. APPENDICES
Appendix 1. RULES AND PROCEDURES FOR SHAREHOLDERS' MEETING

Article 1: Purpose of the Issue

To establish a strong governance system and sound supervisory capabilities for the company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, the company's shareholders meetings shall be convened by the board of directors.

Changes to how the company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of , and upload them to the information publishment website assigned by the Financial Supervisory Commission (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the company has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and the professional shareholder services agent designated thereby.

The company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

a. For physical shareholders meetings, to be distributed on-site at the meeting.
b. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
c. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting, such public announcements shall be served with thirty days prior notice, and for a special shareholders meeting with fifteen days prior notice.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article

185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
A shareholder holding one percent or more of the total number of issued shares may submit to the company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.
Prior to the book closure date before a regular shareholders meeting is held, the company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
Prior to the date for issuance of notice of a shareholders meeting, the company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the company and stating the scope of the proxy's authorization.
A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the company or professional stock agency appointed by the company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
After a proxy form has been delivered to the company or professional stock agency appointed by the company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the company or professional stock agency appointed by the company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
If, after a proxy form is delivered to the company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

The venue for a shareholders meeting shall be the premises of the company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
The restrictions on the place of the meeting shall not apply when the company convenes a virtual-only shareholders meeting.

Article 6

The company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the company two days before the meeting date.

In the event of a virtual shareholders meeting, the company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

To convene a virtual shareholders meeting, the company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
   A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
   B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
   C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
   D. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to

shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the company shall audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose relevant information such as concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one

third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the company shall also declare the meeting adjourned at the virtual meeting platform.
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the company in accordance with Article 6.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same

proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.
As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.
With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
When the company holds a shareholder meeting, exercise of voting rights by electronic means shall be set as one of the voting means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the company avoid the submission of extraordinary motions and amendments to original proposals.
A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the company or profession stock agency appointed by the company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the information publishement website assigned by the

financial supervisory commission (MOPS).
When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company.
Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
When the company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
When the company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody by professional stock agency assigned by the company for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the information publishment website appointed by FSC (MOPS).
The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the company.
Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be

taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16

On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
During the company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange regulations, the company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chair may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

In the event of a virtual shareholders meeting, the company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

When the company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called

to order.

Article 21

In the event of a virtual shareholders meeting, the company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.When the company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22

When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23

These Rules and Procedures shall take effect from the date of approval during the Shareholders'

Meeting. The same applies to revisions.
These regulations were established on July 31, 2018.
The 1st amendment was made on May 24, 2019.
The 2nd amendment was made on June 29, 2020.
The 3rd amendment was made on July 7, 2021.
The 4th amendment was made on May 25, 2022.

Appendix 2. ARTICLES OF INCORPORATION

Chapter 1: General Provisions

Article 1

The Corporation is a company limited by shares under the Company Act with the Chinese name 三商家購股份有限公司 and English name - Simple Mart Retail Co., Ltd.

Article 2

The Company's nature of business is as follows:

1. A102060 Grain Commerce
2. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
3. C104020 Manufacture of Bakery and Steam Products
4. C110010 Beverage Manufacturing
5. C111010 Tea Manufacturing
6. C199990 Manufacture of Other Food Products Not Elsewhere Classified
7. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
8. E605010 Computer Equipment Installation
9. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products
10. F102030 Wholesale of Tobacco and Alcohol
11. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
12. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
13. F106020 Wholesale of Articles for Daily Use
14. F106050 Wholesale of Pottery, Porcelain and Glassware
15. F107180 Wholesale of Firecrackers and Fireworks
16. F108031 Wholesale of Medical Devices
17. F108040 Wholesale of Cosmetics
18. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
19. F110010 Wholesale of Clocks and Watches
20. F110020 Wholesale of Spectacles
21. F113060 Wholesale of Metrological Instruments
22. F113070 Wholesale of Telecom Instruments
23. F113110 Wholesale of Batteries
24. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
25. F114040 Wholesale of Bicycle Parts and Supplies
26. F115010 Wholesale of Jewelry and Precious Metals
27. F116010 Wholesale of Photographic Equipment
28. F199990 Other Wholesale Trade
29. F201010 Retail sale of Agricultural Products
30. F201020 Retail Sale of Livestock Products
31. F201030 Retail Sale of Fishery Products
32. F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products
33. F202010 Retail sale of Animal Feeds
34. F203010 Retail sale of Food Products and Groceries
35. F203020 Retail Sale of Tobacco and Alcohol
36. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
37. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
38. F206010 Retail Sale of Ironware
39. F206020 Retail Sale of daily commodities

40. F206040 Retail Sale of Plumbing Materials
41. F206050 Retail Sale of Pet Food and Supplies
42. F206060 Retail Sale of Sacrificial Supplies
43. F207010 Retail Sale of Sacrificial Supplies
44. F207030 Retail Sale of Cleaning Preparations
45. F207050 Retail Sale of Manure
46. F207080 Retail Sale of Environmental Agents
47. F207180 Retail Sale of Firecrackers and Fireworks
48. F207190 Retail Sale of Plastic Films and Bags
49. F208031 Retail Sale of Medical Apparatus
50. F208040 Retail Sale of Cosmetics
51. F208050 Retail Over-the-counter drugs class B
52. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
53. F210010 Retail Sale of Watches and Clocks
54. F210020 Retail Sale of Spectacles
55. F212040 Retail Sale of Charcoal
56. F212050 Retail Sale of Petrochemical Fuel Products
57. F213010 Retail Sale of Electrical Appliances
58. F213030 Retail Sale of Computers and Clerical Machinery Equipment
59. F213050 Retail Sale of Measuring Instruments
60. F213060 Retail Sale of Measuring Instruments
61. F213110 Retail Sale of Batteries
62. F214030 Retail Sale of Motor Vehicle Parts and Supplies
63. F214040 Retail Sale of Bicycle and Component Parts Thereof
64. F215010 Retail Sale of Jewelry and Precious Metals
65. F216010 Retail Sale of Camera Equipment
66. F218010 Retail Sale of Computer Software
67. F219010 Retail Sale of Electronic Materials
68. F299990 Retail Sale of Other Products
69. F301010 Department Stores
70. F301020 Supermarkets
71. F399010 Convenience Stores
72. F399040 Retail Sale No Storefront
73. F399990 Retail sale of Other Integrated
74. F401010 International Trade
75. F401161 Tobacco Products Import
76. F401171 Alcohol Products Importation
77. F501030 Beverage Shops
78. F501050 Bars
79. F501060 Restaurants
80. G202010 Parking area Operators
81. G801010 Warehousing
82. H701040 Specialized Field Construction and Development
83. H701060 New Towns, New Community Development
84. H703100 Real Estate Leasing
85. I103060 Management Consulting
86. IZ99990 Other Industrial and Commercial Services
87. JA03010 Laundry
88. JZ99990 Unclassified Other Services

89. ZZ99999 All businesses not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company shall establish its head office in Taipei City, Taiwan, Republic of China, and shall set up domestic and overseas branches, subject to approval of the Board of Directors and executive Board of Directors as deemed necessary by the Company.

Article 4

The Company's public announcements shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 4-1

The Company shall not be a shareholder of unlimited liability in another company or a partner of a partnership enterprise. When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments in such other companies shall be refrain from the limitation of exceeding forty percent of the amount of its own paid-up capital under article 13 of the Company Act.

Article 4-2

The Company shall act as a guarantor of external nature when there is need for operation and business, and the board of directors is authorized to issue shares in installment.

Chapter 2: Shares

Article 5

The total capital stock of the Company is NT$800 million, divided into 80,000,000 shares at NT$10 each, and may be paid in installments by the approval of the board of directors.

NT$30 million shall be retained from the total capital amount in the preceding paragraph, divided into 3,000,000 shares for the issuance of employee stock option certificates, at par value of NT$10 per share, and the board of directors is authorized to issue shares in installment.

Article 5-1

The Company's acquisition of treasury stocks in compliance with the Company Act shall be entitled for transfer to the employees, including the employees of subsidiaries of the company meeting certain specific requirements.

The Company's stock warrant certificate shall be entitled to the employees, including the employees of subsidiaries of the company meeting certain specific requirements.

The Company's issuance of new shares shall be entitled to the employees, including the employees of subsidiaries of the company meeting certain specific requirements for subscribing new shares.

The Company shall be entitled to receive restricted stock for employees, including the employees of subsidiaries of the company meeting certain specific requirements

The qualification requirements in the preceding 1 to 4 paragraphs shall be established by the board of directors.

Article 5-2

The Company may, with the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares, transfer shares to employees at less than the average actual share repurchase price.

Article 6

The Company's shares shall be issued in registered form, numbered and signed or sealed by the director representing the Company, and certified in accordance with the law.

There is no obligation to print share certificates for the Company. However, registration shall be made with a securities custodian, and same applies to the issuance of other security certificates.

Article 7

The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for

distribution of dividends, bonus or other benefits.

Chapter 3: Shareholders' Meeting

Article 8

Shareholders' meeting shall be two kinds, including regular meeting of shareholders and special meeting of shareholders. The regular meeting of shareholders shall be held at least once every year and convened within six months after close of each fiscal year by the board of directors in compliance with laws; the special meeting of shareholders shall be held when necessary. The notice and convene of the regular meeting of shareholders shall be conducted in accordance with article 172 of the Company Act. The notice of the meeting shall be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Article 8-1

The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 9

For each shareholders meeting, a shareholder, if for any reason not able to attend the meeting, may appoint a proxy by signature or stamp to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

The shareholders of the Company shall appoint a proxy, unless otherwise provided by law or regulation, in compliance with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by competent authorities.

Article 10

Except for no voting power under the circumstances provided for in article 179 of the Company Act, each shareholder of the company shall have one voting power in respect of each share in his/her/its possession.

Article 11

Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 12

The Company shall include the electronic transmission as one of the methods of exercising their voting power in a shareholders' meeting and shall describe in the shareholders' meeting notice for convention.

Resolutions at a shareholders' meeting shall be recorded in a minute book, signed or sealed by the chairman of the shareholders' meeting, and distributed to shareholders within 20 days after the shareholders' meeting, the production of minutes may be performed by electronic means; the distribution of minutes may be effected by electronic means or by notice.

Chapter 4: Directors

Article 13

The Company has 5 to 9 directors with a service of a 3-year term, and there shall be no less than 3 independent directors and no less than one-third of independent directors out of the total number of directors.

The election of the Company's directors shall be elected from a list of candidates by the shareholders based on a candidate nomination system. The professional qualifications, shareholding, restrictions on holding other positions, nomination and election processes, and other compliance issues related to directors shall be addressed in accordance with applicable regulations implemented by a competent securities authority. The independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

The percentage of shareholdings of all the directors of the Company shall be conducted in accordance with the provisions prescribed by the competent authority in charge of securities affairs.
The Company may set up functional committees under the board of directors, and the establishment and power of the committees shall be implemented in accordance with rules and procedures of the competent authority.

Article 13-1

The Company shall set up an audit committee in accordance with relevant regulations in the Securities Exchange Act. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise. The power and other applicable procedures shall be conducted in compliance with laws and regulations in the Company Act, Securities Exchange Act and regulations in the company charters.

Article 14

The company may set up three managing directors whom to be elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and the chairman shall be elected from one of themselves and the same manner may be exercised to a vice chairman. In case a company has no managing directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company.

Article 14-1

In calling a meeting of the board of directors, a notice shall set forth therein the subject(s) to be discussed at the meeting, and a notice shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, a meeting of the board of directors may be convened at any time.
The abovementioned notice may be sent in writing, by fax or by email.

Article 15

In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the proxy shall be conducted in compliance with article 208 in the Company Act.
Each director shall attend the meeting of the board of directors in person. Any director who cannot attend a board meeting for any reason may assign a proxy, specifying the scope of authorization and designating another director to attend the meeting on his/her behalf.
A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.
In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 15-1 (Delete)

Article 15-2 (Delete)

In case a company has managing directors, the meetings by conferences shall be called from time to time by the chairman of the board of directors; with the resolutions, regarding the establishment, change and abolishment of the branch companies, to be adopted by a majority of managing directors present at such conferences attended by a majority of managing directors.

Article 16

When directors conduct their service of the Company, regardless of profit or loss of operation, the remuneration of directors shall be paid, and the board of directors shall be authorized foy remuneration paid based on its involvement degree and contribution value to company operation as well as general level among peer industry.

Chapter 5: Managerial Personnel

Article 17

The Company may have one or more managerial personnel, and its appointment, discharge and the remuneration shall be decided in accordance with the article 29 in the Company Act.

Chapter 6: Accounting

Article 18

The company's fiscal year is set from January 1 every year to December 31 of the same year. The Board of Directors shall compile the business report, the financial statements and the earnings distribution or loss off-setting proposals upon completion of each accounting year and submit these to the Audit Committee for verification in accordance with legal procedure, and the Audit Committee shall entrust the verification and submit a report to the board of directors for approval and shareholders for acknowledgement.

Article 19

If the Company generates profit for the year, no less than 1% shall be set aside for employee Compensation. The board of directors shall resolute the employees' compensation which no less than 60% shall be appropriated as compensation to junior employees, and the portion of the compensation shall be distributed in the form of shares or in cash in installment, and the qualification requirements of employees shall include the employees of subsidiaries of the company meeting certain specific requirements. The profit amount in the preceding paragraph shall be set aside no more than 3% as directors' remuneration by the resolution of the board of directors. This distribution shall be submitted for a report in the meeting of shareholders.

However, the Company's accumulated losses shall have been covered first, and shall be distributed in accordance with fixed ratio in the preceding paragraph.

Article 19-1

If the Company has a surplus in its annual accounts, after paying taxes and making up for accumulated losses, 10% of the surplus will be set aside as legal reserve. However, if the legal reserve has reached the Company's paid-in capital, no further appropriation will be made. The remaining balance will be combined with the cumulative undistributed earnings of prior years and the adjustment to the current year's undistributed earnings, the Board of Directors is authorized to proposes a motion for the appropriation with the presence of at least twothirds of the Directors and the resolution of a majority of the Directors present, to distribute all or part of the dividends and bonuses or the legal reserve and capital surplus in accordance with Article 241, Paragraph 1 of the Company Act in the form of a cash payment and report to the shareholders' meeting. However, if the earnings will be distributed by issuing new shares, a resolution must be submitted to the shareholders' meeting before the distribution.

Article 19-2

The dividend policy of the Company may consider the future capital need of the Company, and the dividend category may regard company earnings, financial structure and the capital needs for future operation planning. Every year, after deducting the expected capital need and the amount of capital expenditure for the next year from the earnings distributable, the balance shall be distributed as dividends to shareholders. The distribution to shareholders with dividends and bonuses shall be in the form of cash or shares, with not less than 50% for the cash dividends. The annual general meeting of shareholders shall choose the most timely and appropriate dividend distribution method based on the industry situation and the company's interests and development as the highest principle.

Chapter 7: Supplementary Provisions

Article 20

(Deleted)

Article 21

With regard to matters not provided in the Articles of Incorporation, the Company Act and relevant laws and regulations shall apply.

Article 22
The Articles of Incorporation were set up on January 15, 2013.
The 1st amendment was made on October 19, 2015.
The 2nd amendment was made on January 12, 2016.
The 3rd amendment was made on April 5, 2017.
The 4th amendment was made on July 31, 2018.
The 5th amendment was made on May 24, 2019.
The 6th amendment was made on July 7, 2021.
The 7th amendment was made on May 25, 2022.
The 8th amendment was made on May 30, 2024.
The 9th amendment was made on May 28, 2025.

Appendix 3. OPERATIONAL PROCEDURES FOR LOANING FUNDS (BEFORE AMENDMENT)

Article 1 Purpose

For the purpose of meeting business needs and without violating Article 15 of the Company Act, the Company hereby establishes these Procedures.

Unless otherwise provided by laws and regulations, matters concerning the Company's lending of funds to third parties shall be handled in accordance with these procedures.

Article 2 Legal Basis

These Procedures are established in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") and other applicable laws and regulations.

Article 3 Borrowers

Funds lending to recipients:

1. Companies or firms having business dealings with the Company.
2. Companies or firms with short-term financing needs.

"Short-term" refers to a period of one year or one operating cycle (whichever is longer)..

Article 4 Evaluation Standards for Loaning of Funds to Others

Where the Company engages in lending funds due to short-term financing needs as approved by the Board of Directors, such lending shall be limited to the following circumstances:

1. Companies in which the Company holds more than 50% of shares due to companies must have short-term financing needs due to business operations.
2. Other companies or firms requiring short-term financing for procurement or operational turnover.

Article 5: Total Amount of Fund Loaning and Limits for Individual Targets

The limits on the total amount of fund lending and the limits for individual targets are as follows:

1. The total amount of fund lending by the Company shall not exceed 40% of the Company's net worth.
2. For companies or firms with business dealings, individual lending shall not exceed the amount of business dealings, and the total amount of such lending shall not exceed 20% of the Company's net worth. The term "amount of business dealings" refers to the higher of the purchase or sale amount between the two parties in the past year.
3. For companies or firms with short-term financing needs, individual lending shall not exceed 10% of the Company's net worth, and the total amount of such lending shall not exceed 20% of the Company's net worth.

The term "net worth" in these Procedures refers to the equity attributable to owners of the parent company as stated in the most recent balance sheet reviewed or audited by a certified public accountant (CPA).

For fund lending between foreign subsidiaries in which the Company directly and indirectly holds 100% of the voting shares, or fund lending to the Company by foreign companies in which the Company directly and indirectly holds 100% of the voting shares, the total amount and individual limits shall be handled in accordance with the "Procedures for Lending Funds to Others" established by each subsidiary; the duration of each fund lending shall principally be within one year.

Article 6: Duration of Fund Loaning

The duration of each fund lending shall principally be within one year.

Article 7: Interest Calculation
The interest rate of the Company's fund lending shall not be lower than the highest rate of the Company's short-term borrowings from financial institutions. If the Company had short-term borrowings at the time of lending, the interest rate shall not be lower than the one-year fixed deposit interest rate of the Bank of Taiwan on the date of the Board of Directors' resolution. Interest collection shall principally be paid once a month; the borrower shall be notified to pay interest within one week of the agreed date. In case of special circumstances, it may be adjusted according to actual needs upon the approval of the Board of Directors.

Article 8: Decision-making Level
When the Company intends to lend funds to others, it shall be approved by the Audit Committee and then submitted to the Board of Directors for resolution; no other person may be authorized to decide. Fund lending between the Company and its parent company or subsidiaries, or between subsidiaries, shall be approved by the Audit Committee and submitted to the Board of Directors for resolution in accordance with the preceding paragraph. The Chairman may be authorized to make multiple disbursements or provide a revolving credit line for the same borrower within a certain amount decided by the Board of Directors and for a period not exceeding one year.
The "certain amount" mentioned in the preceding paragraph, unless it complies with Article 5, Paragraph 1, Item 2, the authorized limit for fund lending to a single enterprise by the Company or its subsidiaries shall not exceed 10% of that company's most recent financial statement's net worth.
Before loaning funds to others, the Company shall fully consider the opinions of each independent director, and their explicit opinions of agreement or opposition and the reasons for opposition shall be included in the minutes of the Board of Directors' meeting

Article 9: Handling and Review Procedures
1. Execution Department: The handling of fund lending to others shall be the responsibility of the Accounting and Finance Department; the General Manager may designate other specialized personnel to assist if necessary.
2.Review Procedures and Loan Approval:
(1) Credit Investigation: A thorough credit investigation shall be conducted for all companies or businesses applying for loans, in accordance with the following principles:
A. For first-time borrowers, the borrower must submit copies of relevant corporate certificates and identification documents of the responsible person, as well as provide necessary financial information, to facilitate the credit investigation.
B. For continuous borrowers, a credit investigation shall, in principle, be conducted once a year; for major cases, it shall be conducted every six months as needed.
C. If the borrower's financial and credit status is good and the annual financial statements have been audited by a CPA, an investigation report that is more than one year but less than two years old may be used, supplemented by the CPA-audited financial statements for the loan case.
(2) Review and Evaluation: For all loans within the limits specified in Article 5, the borrower shall complete an application form, and the handling unit shall prepare a specific review and evaluation report. The evaluation report shall include the following items:
A. The necessity and reasonableness of extending the loan to the borrower.
B. Credit and risk assessment of the target.
C. Impact on the Company's operational risk, financial status, and shareholders' equity.
D. Whether collateral should be obtained and its appraised value.
(3) Loan Approval:

A. Following review and evaluation, if the borrower's credit rating is poor or there are other reasons to deem the loan unsuitable, the handling officer shall submit the reasons for the denial for approval and promptly notify the borrower.

B. Following review and assessment, for cases where the credit rating is good, the purpose of the loan is legitimate, and there is no adverse impact on the Company's financial operations or shareholders' equity, the handling officer shall submit the credit investigation and review report, together with the proposed loan amount, term, interest rate, and other relevant information, to the General Manager and the Chairman for approval. The loan may only be processed after submission to approval by the Board of Directors for resolution in accordance with the provisions of Article 8.

3. Notification to Borrower: Once a loan application has been approved, the handling officer shall promptly notify the borrower in writing or by telephone, detailing the Company's loan terms, including the loan amount, term, interest rate, collateral, and guarantors. The borrower shall be requested to sign the contract within the specified timeframe. Disbursement of funds shall be made only after interests (mortgages) has been established and the guarantor verification procedures have been completed.
4. Contract Signing and Verification:
   (1) The handling officer shall draft the terms of the loan agreement. After review by the supervisor and approval by the legal department, the signing procedures shall be carried out.
   (2) The content of the loan agreement must correspond to the approved loan terms. After the borrower and joint guarantor have signed and affixed their seals to the agreement, the handling officer shall complete the verification procedures.
5. Security:
   (1) When the Company lends funds to others, it shall obtain a promissory note for the equal value. If necessary, the borrower shall be required to provide collateral equivalent to the loan amount, and procedures for establishing a pledge or mortgage shall be completed to secure the Company's claims.If the borrower provides an individual or company with sufficient financial strength and creditworthiness as a guarantor in lieu of collateral, the Board of Directors may proceed in accordance with the recommendations of the Finance and Accounting Department; if a company serves as the guarantor, the guarantor company's articles of incorporation must include provisions authorizing it to act as a guarantor, and minutes of the relevant resolutions adopted by its shareholders' meeting or board of directors.
   (2) Except for land and marketable securities, all collateral must be insured against fire risks; vessels and vehicles must be insured under comprehensive coverage. The insured amount shall, in principle, be no less than the appraised value of the collateral, and the insurance policy shall be endorsed to name the Company as the beneficiary. The names, quantities, storage locations, insurance terms, and endorsements of the insured items listed on the policy shall be consistent with the Company's original loan approval conditions; if a building has not yet been assigned a street address at the time of establishment, its address shall be indicated by the lot and parcel numbers of the land located at.
   (3) The Executing Department shall ensure that the borrower is notified to renew the insurance coverage before the policy expires.
6. Disbursement: Once a loan application has been approved and processed have been completed, and after verification by the Finance and Accounting Department confirms that there are no errors, the funds may be disbursed.

Article 10: Procedures for Public Announcement and Reporting

1. The Company shall, by the 10th day of each month, publicly announce and report the outstanding balance of funds lent by the Company and its subsidiaries for the previous month.

2. If the outstanding balance of loans extended by the Company and its subsidiaries meets any of the following criteria, the Company shall, within two days from the date the event occurs, submit a public disclosure report via the information reporting website designated by the Financial Supervisory Commission in accordance with regulations:
   (1) The outstanding balance of funds lent by the Company and its subsidiaries to third parties reaches 20% or more of the net worth as shown in the Company's most recent financial statements.
   (2) The outstanding balance of loans made by the Company and its subsidiaries to a single enterprise reaches 10% or more of the net worth as shown in the Company's most recent financial statements.
   (3) The amount of new loans extended by the Company or its subsidiaries reaches NT$10 million or more and constitutes 2% or more of the Company's net worth as shown in its most recent financial statements.
3. Where a subsidiary of the Company is not a domestic publicly traded company, the Company shall be responsible for making the disclosure and filing required under Subparagraph 3 of Paragraph 2 of this Article on behalf of such subsidiary.
4. The "date of occurrence" referred to in Paragraph 2 means the earlier of the transaction signing date, payment date, board resolution date, or any other date sufficient to determine the transaction counterparty and transaction amount.

Article 11: Repayment

1. When a borrower repays a loan upon maturity, the borrower shall first calculate the interest due and settle it together with the principal before the promissory note or other debt instrument may be canceled and returned to the borrower.
2. If a borrower applies for the cancellation of a mortgage, the Company shall first verify whether there is any outstanding loan balance before deciding whether to approve the cancellation of the mortgage.

Article 12: Organization and Custody of Files

The Company shall maintain a memorandum book for the loaning of funds, in which the subjects, amounts, dates of approval by the Board of Directors, dates of loan disbursement, and matters required to be carefully evaluated by regulations shall be recorded in detail for reference.
For loan cases handled, the handling personnel, after disbursement, shall organize the agreement, promissory notes, and other credit certificates, as well as collateral documents, insurance policies, and correspondence in order. These shall be submitted to designated finance personnel for custody, with the contents and customer name marked on the envelope, and presented to the supervisor for inspection. Once verified, they shall be stored in a safe, and recorded in the custody registration log.

Article 13: Subsequent Control Measures and Overdue Debt Procedures

1. After the loan is disbursed, the handling staff shall complete the "Detailed Record of Funds Loaned to Others." After approval by the supervisor, the original shall be submitted to the finance staff for retention, and the duplicate shall be retained by the staff member for use as a record for subsequent tracking. Furthermore, the staff shall regularly monitor the financial, business, and credit conditions of the borrower and guarantor. If collateral has been provided, the staff member shall also monitor any changes in its value. In the event of significant changes, the General Manager shall be notified immediately, and appropriate action shall be taken in accordance with instructions.
2. The borrower shall repay the principal and interest upon maturity. In case of violation, the Company may dispose of the collateral or pursue the guarantor per law.

Article 14: Internal Audit

The Company's internal auditors shall audit the procedures for lending funds to others and their implementation at least once every quarter and prepare written records; if any material violations are discovered, they shall immediately notify the Audit Committee in writing.

Article 15: Control Procedures for Subsidiaries' Fund Loaning

1. If a subsidiary of the Company intends to lend funds to others, the Company shall urge such subsidiary to establish operating procedures for lending funds to third parties in accordance with the Financial Supervisory Commission's "Regulations Governing the Lending of Funds and Endorsement Guarantees by Publicly Traded Companies".
2. When a subsidiary lending funds to others, it shall apply to the Company for approval and may only proceed after following the prescribed procedures. The Accounting and Finance Department and personnel designated by the General Manager shall evaluate the necessity, rationality, risk, and impact on the parent and subsidiary's operations, finances, and equity, and report to the General Manager and Chairman for approval.
3. The Accounting and Finance Department shall obtain the detailed list of fund lending balances from each subsidiary at the beginning of each month.
4. The Accounting and Finance Department shall periodically evaluate whether each subsidiary's follow-up control measures and overdue claim procedures are appropriate.
5. Internal auditors shall periodically audit subsidiaries' compliance with their procedures and prepare reports. Findings and suggestions shall be notified to subsidiaries for improvement after review, and follow-up reports shall be made to ensure timely corrective actions.

Article 16: Penalties

If the Company's managers and responsible personnel, in handling the lending of funds to others, violate the Financial Supervisory Commission's "Regulations Governing the Lending of Funds and Endorsement Guarantees by Publicly Traded Companies" or the Company's "Operational Procedures For Loaning Funds," they shall be subject to periodic evaluation and assessment in accordance with the Company's Personnel Management Measures and Work Rules, and shall be commensurate with the severity of the offense.

Article 17: Other Matters

1. If, due to a change in circumstances, a borrower no longer meets the requirements of these operating procedures or the outstanding balance exceeds the limit, the Company shall formulate a corrective action plan, submit the plan to the Audit Committee for review, and complete the corrective actions in accordance with the plan's timeline.
2. The Company shall evaluate and provide adequate allowance for bad debts and disclose relevant information in financial reports for CPA auditing.

Article 18: Supplementary Laws

Matters not covered herein shall be handled in accordance with relevant laws and regulations.

Article 19: Implementation and Amendment

The operating procedures shall be approved by more than half of all members of the Audit Committee, then passed by the Board of Directors, and submitted to the shareholders' meeting for approval. If any director expresses an objection and such objection is recorded or stated in writing, the Company shall submit the objection to the shareholders' meeting for discussion.

When the Company submits these operating procedures to the Board of Directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of each independent director and include their explicit consent or objection, as well as the reasons for any objection, in the minutes of the Board of Directors.

If the procedure referred to in Paragraph 1 is not approved by more than half of all members of the Audit Committee, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.
The term “all members of the Audit Committee” in Paragraph 1 and the term “all directors” in the preceding paragraph shall refer to those actually in office.

Article 20: Dates of Establishment and Amendment
The regulations were established on March 23, 2018.
The 1st amendment was made on July 31, 2018.
The 2nd amendment was made on May 24, 2019.
The 3rd amendment was made on June 29, 2020.

Appendix 4. OPERATIONAL PROCEDURES FOR ENDORSEMENTS/GUARANTEES (BEFORE AMENDMENT)

Article 1 Purpose

The Company has established these operating procedures to protect the rights and interests of shareholders, ensure sound financial management of endorsements and guarantees, and mitigate operational risks.

Matters concerning the Company's external endorsements and guarantees shall be handled in accordance with the provisions of the operating procedures. However, where other laws or regulations provide otherwise, such provisions shall prevail.

Article 2 Legal Basis

These operating procedures are established in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by the Financial Supervisory Commission (hereinafter referred to as the FSC).

Article 3 Scope of Application

The term "endorsements/guarantees" as used in these Procedures refers to the following matters:

1. Financing endorsements/guarantees, including:
   (1) Endorsement for the discounting of customer notes.
   (2) Endorsements or guarantees made for the purpose of financing for another company.
   (3) Issuance of notes to non-financial enterprises as collateral for the purpose of the Company's own financing.
2. Customs duty endorsements/guarantees: Refers to endorsements or guarantees made for the Company or another company concerning customs duty matters.
3. Other endorsements/guarantees: Refers to endorsements or guarantees that cannot be classified into the preceding two categories.

The provision of movable or immovable property by the Company to create a pledge or mortgage as collateral for the borrowings of another company shall also be handled in accordance with these Procedures.

Article 4 Recipients of Endorsements and Guarantees

The Company may provide endorsements/guarantees for the following companies:

1. Companies with business dealings with the Company.
2. The Company in which the Company directly and indirectly holds more than 50% of the voting shares.
3. The Company that directly and indirectly hold more than 50% of the voting shares in the Company.
   Companies in which the Company directly and indirectly holds 90% or more of the voting shares may provide endorsements/guarantees for each other, and the amount thereof shall not exceed 10% of the Company's net worth. However, endorsements/guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares are not subject to this limit.

Where the Company, due to the needs of contracting projects, provides mutual guarantees with peers or joint builders in accordance with contractual provisions, or where all capital-contributing shareholders provide endorsements/guarantees for the invested company based on their shareholding ratios due to a joint investment relationship, such cases shall not be subject to the restrictions of the preceding two paragraphs and endorsements/guarantees may be provided.

The term "contribution" mentioned in the preceding paragraph refers to direct contribution by the Company or contribution through a company in which the Company holds 100% of the voting shares.

Article 5 Limits and Evaluation Standards for Endorsements/Guarantees

The limits on the total amount of external endorsements/guarantees and the limits for single enterprises are as follows:

1. The total amount of external guarantees shall not exceed 30% of the Company's net worth.
2. The amount for a single enterprise, for guarantees provided in connection with business dealings, the amount shall not exceed 30% of the business transaction amount between the guaranteed company and the Company for the most recent year or 120% of the business dealings in the past three months between the two parties, and shall not exceed 15% of the Company's net worth. For parent-subsidiary relationships, it shall not exceed 15% of the Company's net worth. For mutual guarantees between peers for contracting projects or joint investments where shareholders provide guarantees based on shareholding ratios, it shall not exceed 15% of the Company's net worth.
3. The total amount of endorsements/guarantees for the Company and its subsidiaries as a whole shall not exceed 40% of the Company's net worth. The amount for a single enterprise shall not exceed 15% of the Company's net worth.
4. If the target is a subsidiary whose net worth is lower than half of its paid-in capital, the following measures apply:
   (1) Resolution by the Board;
   (2) Obtain financial reports monthly.

The terms "subsidiary" and "parent company" shall be determined in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

If a subsidiary's shares have no par value or the par value per share is not NT$10, its paid-in capital shall be calculated as the sum of share capital plus capital surplus—issuance premium.

"Net worth" refers to the equity attributable to owners of the parent company on the balance sheet as prescribed by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 6 Decision-making and Authorization Levels

The decision-making and authorization levels for the Company's endorsement and guarantee matters are as follows:

1. When the Company handles endorsement and guarantee matters, it shall follow the review procedures specified in Article 7, obtain the consent of the Audit Committee, and submit the matter to the Board of Directors for resolution; or the Chairman may make a decision within the authorization limit specified in Paragraph 4, subject to ratification by the Board of Directors at its next meeting.
2. When the Company issues endorsements or guarantees, if business needs necessitate exceeding the limits set forth in Article 5 and such actions meet the conditions stipulated in these operating procedures, the matter shall be approved by the Board of Directors, and a majority of the directors shall provide joint and several guarantees for any potential losses incurred by the Company due to the excess, and these operating procedures shall be amended and submitted to the General Meeting of Shareholders for ratification; if the General Meeting of Shareholders does not approve, a plan shall be formulated to eliminate the excess portion within a specified period.
3. When the Company provides endorsements/guarantees for others, it shall fully consider the opinions of each independent director, and their explicit opinions of agreement or opposition and the reasons for opposition shall be included in the minutes of the Board of Directors' meeting.
4. The amount of external endorsements and guarantees authorized for the Chairman to execute up to an amount not exceeding 10% of the Company's net worth.
5. Before a subsidiary in which the Company directly and indirectly holds 90% or more of the voting shares provides endorsements/guarantees for others in accordance with Article 4, Paragraph 2, it shall be submitted to the Company's Board of Directors for resolution. However,

endorsements/guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares are not subject to this limit.

Article 7 Procedures for Handling and Reviewing Endorsements/Guarantees

The procedures for handling and reviewing the Company's endorsements and guarantees are as follows:

1. Responsible Department
   The Finance and Accounting Department is responsible for handling matters related to the Company's endorsement guarantees; where necessary, the General Manager may designate other dedicated personnel to assist.
2. Review Procedures:
   (1) When handling endorsements/guarantees, the handling unit shall prepare a concrete review and evaluation report, which shall include:
   A. Necessity and reasonableness of the endorsement/guarantee.
   B. Credit investigation and risk assessment of the target.
   C. Impact on the Company's operational risk, financial condition, and shareholders' equity.
   D. Whether collateral should be obtained and its evaluated value.
   (2) When the Company issues an endorsement guarantee, the handling unit shall submit a memorandum stating the company to be guaranteed, the counterparty, the type of guarantee, the rationale, and the amount, along with the assessment report referred to in subparagraph (1). This shall be submitted to the General Manager and the Chairman for approval, followed by the consent of the Audit Committee, and finally submitted to the Board of Directors for resolution and approval before proceeding. However, when business needs require it, the Chairman may first make a decision within the authorized limit specified in Article 6, Paragraph 1, Subparagraph 4, and subsequently seek ratification at the next Board of Directors meeting. The details of the transaction and related matters shall be reported to the Shareholders' Meeting for record.
3. When handling endorsements/guarantees, the handling unit shall specifically evaluate risks and, if necessary, obtain collateral from the guaranteed company.
4. The Finance and Accounting department shall maintain a record book for endorsement and guarantee matters, detailing the counterparty, amount, date of Board approval or Chairman's decision, date of endorsement or guarantee, and matters requiring prudent assessment pursuant to Paragraph (1) of Subparagraph 2.
5. The Finance and Accounting department shall prepare a statement of changes in the amount of external endorsements and guarantees for the previous month at the beginning of each month and submit it to the Board of Directors on a regular basis.

Article 8 Use and Custody of Seal

The Company shall use the company seal registered with the Ministry of Economic Affairs as the dedicated seal for endorsements/guarantees. This seal and relevant notes shall be kept by specialized personnel approved by the Board and used in accordance with the Company's Seal Management Regulations.

When the Company provides guarantees to foreign companies, the guarantee letters issued shall be signed by the Chairman upon authorization by the Board of Directors.

Article 9 Procedures for Public Announcement and Reporting

When the Company and its subsidiaries handle endorsement guarantee matters, if the following criteria are met, they shall, in accordance with regulations, submit public announcements via the information reporting website designated by the Financial Supervisory Commission:

1. The Company shall, by the 10th day of each month, publicly announce and report the outstanding

balance of endorsements and guarantees for the Company and its subsidiaries for the preceding month.

2. If the Company's endorsement guarantee balance meets any of the following criteria, it shall be publicly reported within two days from the date the event occurs:
   (1) The aggregate endorsement guarantee balance of the Company and its subsidiaries reaches 50% or more of the net worth as shown in the Company's most recent financial statements.
   (2) The aggregate endorsement and guarantee balance of the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as shown in its most recent financial statements.
   (3) The aggregate balance of the Company's and its subsidiaries' endorsement guarantees for a single enterprise reaches NT$10 million or more, and the combined total of such endorsement guarantees, the carrying amount of investments accounted for under the equity method, and outstanding loan balances to that enterprise reaches 30% or more of the Company's net worth as shown in its most recent financial statements.
   (4) The amount of new guarantees provided by the Company or its subsidiaries reaches NT$30 million or more and constitutes 5% or more of the Company's net worth as shown in its most recent financial statements.
3. Where a subsidiary of the Company is not a publicly listed company in Taiwan, the Company shall be responsible for making the required public announcements and filings under Subparagraph (4) of Paragraph 2 on behalf of such subsidiary.
4. The "date of occurrence" referred to in Paragraph 2 means the earlier of the contract execution date, the date of the board of directors' resolution, or any other date sufficient to determine the counterparty and amount of the endorsement or guarantee.

Article 10 Internal Audit

The Company's internal auditors shall audit the procedures and execution of endorsements/guarantees at least quarterly and prepare written records. If major violations are found, they shall immediately notify the Audit Committee in writing.

Article 11 Control Procedures for Subsidiaries' Endorsements/Guarantees

1. Where a subsidiary of the Company intends to provide an endorsement or guarantee for another party, the Company shall require such subsidiary to establish endorsement and guarantee operating procedures in accordance with the Financial Supervisory Commission's "Regulations Governing Loans and Endorsements/Guarantees by Publicly Traded Companies."
2. When a subsidiary of the Company intends to provide an endorsement or guarantee for a third party, it must first seek approval from the Company and proceed in accordance with the established operating procedures; the Company's Finance and Accounting Department and the personnel designated by the General Manager shall specifically assess the necessity, reasonableness, and risk of such endorsement or guarantee, as well as its impact on the operational risks, financial condition, and shareholders' equity of both the parent company and the subsidiary, and submit a report to the General Manager and the Chairman for approval.
3. The Finance and Accounting Department shall obtain a statement of changes in the amount of external guarantees provided by each subsidiary at the beginning of each month.
4. The Company's internal auditors shall periodically audit each subsidiary's compliance with its "Endorsement and Guarantee Procedures" and prepare an audit report; after the findings and recommendations in the audit report have been reviewed and approved, the audited subsidiaries shall be notified to make improvements, and follow-up reports shall be prepared periodically to ensure that appropriate corrective measures have been taken in a timely manner.

Article 12 Penalties

If the Company's managers and responsible personnel violate the Financial Supervisory Commission's "Guidelines for the Handling of Loans and Endorsements by Publicly Traded Companies" or the provisions of these operating procedures while handling endorsement and guarantee operations, they shall be subject to evaluation in accordance with the Company's Personnel Management Measures and Work Rules, and penalties shall be imposed based on the severity of the offense.

Article 13 Other Matters

1. If, due to a change in circumstances, the subject of an endorsement or guarantee no longer complies with the provisions of these Operating Procedures or exceeds the amount limit, the Company shall formulate a corrective action plan, submit the relevant corrective action plan to the Audit Committee for review, and complete the corrective actions in accordance with the plan's timeline.
2. The Company shall assess or recognize contingent losses arising from endorsements and guarantees, appropriately disclose information regarding such endorsements and guarantees in financial reports, and provide relevant materials to the certifying accountant to perform necessary audit procedures.

Article 14 Supplementary Laws

Matters not covered herein shall be handled in accordance with relevant laws and regulations.

Article 15 Implementation and Amendment

These operating procedures shall be approved by a majority of at least two-thirds of all members of the Audit Committee, followed by approval by the Board of Directors, and shall be submitted to the shareholders' meeting for approval. If any director expresses an objection and such objection is recorded or stated in writing, the Company shall submit the objection to the shareholders' meeting for discussion.

When the Company submits these operating procedures to the Board of Directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of each independent director and include their clear opinions of consent or objection, as well as the reasons for any objection, in the minutes of the Board of Directors.

If the procedure referred to in Paragraph 1 is not approved by more than half of all members of the Audit Committee, it may be implemented with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The term "all members of the Audit Committee" in Paragraph 1 and the term "all directors" in the preceding paragraph shall be calculated based on those actually in office.

Article 16

The regulations were established on March 23, 2018.

The 1st amendment was made on July 31, 2018.

The 2nd amendment was made on May 24, 2019.

The 3rd amendment was made on June 29, 2020.

Appendix 5. STATUS OF OWNERSHIP BY ALL DIRECTORS

1. The paid-in capital of the Company is NT$675,000,000, and number of stocks been issued is 67,500,000 shares.
2. In compliance with regulations in article 26 of the Securities Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the least holding legal shares by the entire directors is 5,400,000 shares.
3. Up to as of March 30, 2026 at the time when the share transfer registration is suspended, the total number of shares held by entire directors are as below list:

Title	Name	Holding Shares
Chairman	Mercuries & Associates Holding, Ltd. Representative: Shiang-Feng Chen	41,018,951
Director	Mercuries & Associates Holding, Ltd. Representative: Shiang-Li Chen	41,018,951
Director	Mercuries & Associates Holding, Ltd. Representative: Wei-Chyun Wong	41,018,951
Director	Mercuries & Associates Holding, Ltd. Representative: Kuang-Lung Chiu	41,018,951
Director	Shopnet Homeshopping Co., Ltd. Representative: Chen-Chih Tai	10,400,000
Director	Shopnet Homeshopping Co., Ltd. Representative: Sung-Wen Tai	10,400,000
Independent Director	Tsay-Lin Lin	0
Independent Director	Meng-Lin Tsai	0
Independent Director	Tzu-Yun Chen	0
Total number of shares held by entire directors, excluding independent directors		51,418,951

Note: The Company has set up an Audit and Risk Management Committee, so the provisions on the minimum percentage requirements for the shareholding of supervisors shall be excluded.

Appendix 6. COMMENT ON PROPOSAL HANDLING OF REGULAR SHAREHOLDERS MEETING

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion in writing at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal and limited to not more than three hundred (300) words, including proposal objective, explanation and punctuation marks.
2. The period of receiving proposals by the shareholders for this shareholders' meeting is from March 20 until April 1, 2026, and such information has been published in MOPS in compliance with laws.
3. During the period of receiving proposals in the preceding paragraph, no shareholder holding one percent (1%) or more of the total number of outstanding shares of a company proposes to the Company a proposal.