

SANITAR Co., Ltd.

2025 Annual Report

Notice to readers

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

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None

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I. Report to Shareholders

Dear shareholders,

We would like to thank you for attending our annual shareholders' meeting and would like to express our sincere welcome on behalf of SANITAR Co., Ltd. The following is a report of the Company's operating results for the year ended December 31st, 2025 and its operating plan for the year 2026.

1. Operating Performance in 2025

(1) Business Plan Implementation Results

For the year ended December 31st, 2025, the Company's consolidated operating revenues were NT\$2,618,295 thousand, a decrease of 6.17% compared to NT\$2,790,325 thousand for the year ended December 31st, 2024; consolidated net income was NT\$263,478 thousand, a decline of 17.95% compared to NT\$321,109 thousand for the year ended December 31st, 2024; consolidated earnings per share was NT\$3.61. With the relaxation of property market regulations in Vietnam and accelerated government public investment, market conditions improved in the second half of the year, leading to higher capacity utilization at the company's Vietnam plant. In Taiwan, tightened housing credit policies affected property transaction volumes. Meanwhile, the company's flagship plasma sterilization products were officially launched and gradually increased in sales. The Company continued to expand into new construction and public infrastructure projects while strengthening its integrated bathroom system development and project execution capabilities. As a result, consolidated operating revenue declined compared with the previous year.

(2) Budget implementation

The Company did not publicly disclose its financial forecast in 2025.

(3) Financial situation and profitability analysis

Unit: NT\$ thousands

Fiscal year			Unit: NT\$ thousand		
Item		FY2024	FY2025	Percentage increase (decrease)	
Financial situation	Operating revenue		2,790,325	2,618,295	-6.17
	Gross operating profit		989,479	964,134	-2.56
	Net operating profit		372,524	324,658	-12.85
	Net profit before tax		408,552	354,322	-13.27
Profitability	Return on assets (%)		11.71	9.49	-18.96
	Return on equity (%)		14.92	11.95	-19.91
	Ratio to paid-in capital (%)	Operating profit	51.31	44.71	-12.86
		Pretax profit margin	56.27	48.80	-13.28
	Profit margin (%)		11.51	10.06	-12.60
	Earnings per share (NT\$)		4.37	3.61	-17.39

(4) Research and development status

Our research and development can be divided into two main areas, one is the improvement of production process and the other is the development of new products.

A. Production process improvement

- The mid-to-high-end one-piece toilets and washbasins have adopted a fired-in antibacterial glaze, enhancing surface stain resistance and hygiene performance.

B. New Product Development

- a. The Company focuses on integrating multiple technologies to differentiate products and provide consumers with a better user experience. For example, the urinal combines next-generation intelligent ion sensing technology, ozone sterilization and deodorization technology, and Microbubble shower technology to achieve deep skin cleansing and moisturizing effects. Additionally, the development of high-tech bidets and toilet seats with advanced features is underway. In the future, the Company will collaborate with Biophysical to jointly research and develop a series of long-lasting germ-killing and cleaning-related sanitary products, advancing the field of technological sanitary ware.
- b. The plasma antimicrobial kitchen faucet product has entered the mass production phase, providing enhanced protection against enteroviruses and delivering powerful sterilization performance, and improving the convenience and quality of life for the public.
- c. Ceramic products: Continued promotion of **fired-in antibacterial glaze** for mid-to-high-end one-piece toilets and washbasins; optimization and upgrades of close-coupled toilets; and the application of color design programs to ceramic washbasin products.
- d. Water outlet products: In response to the uncertainty caused by significant fluctuations in metal prices, the Company adjusted the material mix within its product lines (such as stainless steel, zinc alloy, and plastic) to enable flexible substitution and optimize cost structures. Supply chain arrangements and procurement strategies were also adjusted to enhance overall operational resilience.
- e. Product design is moving towards a more serialized and holistic bathroom space approach, streamlining product lines, eliminating outdated models, and embracing a fashionable, minimalist style. In response to the future market trend for bathroom storage and basin cabinet sets, the Company developed a variety of FFC cabinet basins in 2018 using FFC technology. After the bath cabinet factory started production, the modular design has helped reduce costs, accelerate style development, and improve production efficiency. New products continue to be developed with concepts such as color diversification, combination and matching, and space expansion to meet the market's diverse demands while offering consumers cost-effective options.
- f. With the continued expansion of social housing and the promotion of related policies, in response to same-floor drainage construction methods and labor/material shortages, the Company has introduced a new integrated bathroom solution (UB) that offers the advantages of pre-assembly, reducing construction time and labor requirements, and providing more customization options.

2. Business Plan for 2026

(1) Business objectives

- A. We continue to refine our production technology and actively develop new products and innovative designs to enhance product quality and value.
- B. To increase customer satisfaction, we combine product advantages, flexible combination solutions and prompt service to become the best choice for consumers.
- C. We attach importance to talent training, create a good working

environment and development system, and cultivate talents as the cornerstone of sustainable management.

- D. We care about environmental protection, use green technology to reduce the consumption of electricity and water resources, improve the product manufacturing process to reduce the impact on the environment, protect the health of consumers, and do our part for the earth.
- E. The company operates with integrity and pragmatism, and upholds the business philosophy of "quality first and customer satisfaction", continuously investing in product development and innovation to bring consumers affordable luxury bathing experience, and sharing the business results with shareholders, employees and the public, gradually enhancing corporate value.

(2) Sales forecast and its basis

The Company did not publicly disclose its financial forecast for 2026.

(3) Important Production and Marketing Policies

- A. The bath cabinet factory and the faucet factory have been completed and opened. When the production capacity is gradually put in place, the benefits are expected to ferment and further increase the sales revenue of the ceramics and faucet fixtures.
- B. By utilizing FFC's technological advantages, we are able to manufacture high-end technology products and increase the price range of our products in order to position ourselves in the high-priced market.
- C. We also set up production plans, coordinate with sales policies and sales forecasts, effectively control the quantity and amount of inventory, provide sufficient safety stock, and eliminate ineffective and stagnant inventory in a timely manner.
- D. Through media advertisements and the establishment of physical showrooms, the Company has been able to showcase its achievements in manufacturing technology in recent years and has developed a wide range of high quality basins, custom-made bath cabinets and technological bath products to boost consumers' desire to purchase Caesar sanitary ware products and stimulate the growth of sales revenue.
- E. In response to the post-pandemic era, innovative technologies are being applied to the realm of daily life, leading to the development of a series of new anti-pandemic products. Additionally, to highlight the differentiated value of the products, an integration of online and offline channels has been undertaken. Caesar online shop aimed at seizing opportunities in the online bathroom market. Innovative research and development have led to the creation of the "Plasma Antimicrobial Kitchen Faucet" product, bringing convenience and improvement to consumers' lives.
- F. Integrated bathroom systems (UB) have become a mainstream building solution. With more mature manufacturing processes and modular systems, the company will expand applications across residential, commercial, hospitality, and long-term care facilities, while also providing flexible solutions for renovation projects, delivering a renewed bathroom experience for customers and end users.

3. Future growth strategy for the Company

The Company has been developing its production, sales and research and development capabilities in a stable and sound manner under the important premise of risk control. Vietnam is a member of the non-tariff organization of the

Association of Southeast Asian Nations (ASEAN) and has actively signed economic cooperation agreements with other countries around the world. The ASEAN Free Trade Area has gradually entered into zero tariff since 2014.

We will continue to expand into the Southeast Asian market. Currently, we have local agents in Cambodia, the Philippines and Malaysia to operate our brand business, and we will continue to develop agents in Singapore, Indonesia and Myanmar, and we are planning to expand our OEM business in Europe and the U.S., so that we can develop our brand and OEM business in a dual way to gain a larger market share.

The new plasma antimicrobial kitchen faucet product is set to expand beyond the Taiwanese and Vietnamese markets, enhancing global marketing efforts and establishing new distribution channels. With strong growth potential, its standalone sales are expected to surpass the company's existing water outlet products, making it a key driver of future growth.

As social housing continues to expand and policies promote its development, the company is deepening its presence in the integrated bathroom solutions and same-floor drainage construction sectors. By actively securing projects in these areas, it will directly boost sales of its bathroom equipment, becoming one of the key growth drivers for operations in 2026.

4. The impact of the external competitive environment, regulatory environment and macroeconomic conditions

In the Vietnam market, operations have gradually stabilized over the past two years, supported by government administrative restructuring and improved efficiency, which have contributed to a recovery in real estate demand. The company has undertaken several public projects, including schools and hospitals, leading to a steady increase in project volume and positively contributing to overall operations. Revenue from exports from the Company's Vietnam plant to the United States accounts for less than 1% of total revenue; therefore, recent adjustments to U.S. tariff policies have had a limited impact on overall operations.

Observing the overall environment in Taiwan, our company has positioned itself in the market for new construction projects and public works, with market benefits gradually manifesting. We issued our 2024 ESG report in August 2025, using this as a foundation to continue implementing various initiatives in environmental protection (E), social responsibility (S), and corporate governance (G).

In view of the increasingly fierce competition in the bathroom industry, enterprises that fail to keep up with the changes of the times will certainly face elimination. Therefore, the company will always respond to changes in the environment, laws and regulations, and the overall economy by pursuing more rapid response capabilities, strengthening the development of high-value products, improving product quality, reducing competition from inferior products at reduced prices, and deepening customers' trust in the brand image so that Caesar will become a sustainable enterprise, and strive to achieve a sustainable business in 2026.

Finally, we would like to thank our shareholders once again for their support and encouragement to Sanitar Co., Ltd. and send our best wishes.

Best wishes

Good health, all the best

Chairman HSIAO, CHUN-HSIANG

II. Corporate Governance Report

1. Information on Directors, Supervisors, President, Vice President, General Directors, and Supervisors of Various Departments and Braches

(1) Directors and Supervisors

1. Information of Directors and Supervisors

April 1st, 2026

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Chairman	ROC	HSIAO, CHUN HSIANG	Male 61~70 years old	May 29, 2024	3 years	June 5, 1989	5,013,581	6.91	5,013,581	6.91	1,154,069	1.59	0	0	Bachelor of Business Administration, Tunghai University	Note 2	Director	TSAI, MING HSI	younger brother-in-law	No
Corporate Director Note 1	ROC	Sheh Fung Screws Co.,Ltd.	-	May 26, 2025	2 years	May 26, 2025	9,873,784	13.6	10,000,000	13.77	-	-	-	-	-	-	-	-	-	No
		Representative Terry Tu	Male 51~60 years old	May 26, 2025	2 years	May 26, 2025	0	0	0	0	0	0	0	0	EMBA, National University of Kaohsiung Manager, Vice President, Sheh Fung Screws Co.,Ltd.	Note 3	No	No	No	No
Director	ROC	TSAI, MING HSI	Male 51~60 years old	May 29, 2024	3 years	June 17, 2015	1,573,195	2.17	2,573,195	3.54	292,067	0.40	0	0	Master of Science in Applied Statistics, Fu Jen Catholic University Senior Manager of CTBC BANK Adjunct Instructor of Economics Dept., National Central University	No	Chairman	HSIAO, CHUN HSIANG	elder brother-in-law	No
Director	ROC	CHANG, YI HSIN	Male 51~60 years old	May 29, 2024	3 years	May 29, 2024	1,280,000	1.76	1,730,000	2.38	0	0	0	0	Associate Bachelor of Safety, Health and Environmental Engineering Dept., National United University (formerly National United College of Business and Technology) Assistant Factory Manager of Zhang-Hsin Ceramic Co., Ltd.	Note 4	No	No	No	No

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Director	ROC	LIN, KUO HUA	Male 71~80 years old	May 29, 2024	3 years	June 30, 2007	2,574,574	3.55	2,574,574	3.55	685,409	0.94	0	0	Doctor of Philosophy, East China University of Political Science and Law. Master of Science, Chinese Culture University	Note 5	No	No	No	No
Independent Director	ROC	HO, JENG WEI	Male 41~50 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	Master of Accounting and Information Technology, National Chung Cheng University CPA, Dayar CPA Firm	Note 6	No	No	No	No
Independent Director	ROC	CHENG, SHENG IN	Female 51~60 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	MBA, University of Southern California Deputy general manager of TAIWAN SECOM CO., LTD. Special Assistant to the chairman of KONGLIN GROUP	Note 7	No	No	No	No

Title	Nationality / Country of Origin	Name	Gender & Age	Date Elected	Term	Date of First Election	Shares Held at Time of Election		Currently Shares Held		Shares Held by Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience /Educational background	Concurrent positions currently served as at the Company and other companies	Executives, Directors or Supervisors who are the spouse or relatives within the second degree of kinship			Note
							Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio	Number of Shares	Share-holding ratio			Title	Name	Relation	
Independent Director	ROC	LIN, JING	Male 51~60 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	Doctor of UFR 06 - Gestion & économie d'entreprise, Université Paris I – PanthéonSorbonne Chairman of Bank Taiwan SECURITIES Chairman of MIRAE ASSET Global Investment Chairman of TAIYEN BIOTECH CO., LTD. Full-time Associate Professor, Dept. of Business Administration, National Taipei University Part-time Associate Professor, Dept. of Economics, National Chengchi University Full-time Associate Professor, Dept. of International Business, Tamkang University	Note 8	No	No	No	No
Independent Director	ROC	CHEN, HSIEN CHIEN	Male 61~70 years old	May 29, 2024	3 years	July 7, 2021	0	0	0	0	0	0	0	0	Bachelor of Law, Chinese Culture University	Note 9	No	No	No	No

Note 1.One additional director was elected at the General Shareholders' Meeting held on May 26, 2025.

Note 2.Also serves as Chairman of the Board and legal representative of Vietnam Caesar Sanitary Wares Joint Stock Company and Kaisheng Sanitary Ware Co., Ltd.

Note 3.Also serves as Chairman of SHEHKAI PRECISION CO., LTD. and Sheh Fung Screws Co.,Ltd., Director and General Manager of Sheh Kai (Shanghai) Co., Ltd., Chairman of MYMIT Inc., Guan Yi Investments Co. Ltd., Ronny Investments Ltd., Lead Take Co., LTD., HYE TECHNOLOGY CO., LTD. and BI-MENTAL Ltd.

Note 4.Also serves as Director, legal representative and Technical Director of Vietnam Caesar Sanitary Wares Joint Stock Company.

Note 5.Also serves as a General Manager of Archie Industrial (Shanghai) Co., Ltd.

Note 6.Also serves as a CPA of Qian Sheng Accounting Firm and Independent Director of JASON'S ENTERTAINMENT CO. LTD.

Note 7.Also serves as Independent Director of LEO SYSTEMS, INC. and NEWS WORLD WU MANUFACTURING CO., LTD., Director of Silicon Strong Co., Ltd. and Compensation Committee Member of UBI Pharma Inc.

Note 8.Also serves as a Full-time Professor of Graduate Institute of International Business, National Taipei University and Independent Director of LEATEC FINE CERAMICS Co., Ltd.

Note 9.Also serves as a Solicitor of Hong Lu Law Firm.

2. Major Shareholders of the Institutional Shareholders.

Institutional Shareholder	Major Shareholders of Institutional Shareholders and Their Shareholding Percentages
Sheh Fung Screws Co., Ltd.	Lead Take Co., Ltd. (11.97%), Shen Fung Investments Ltd. (7.27%), SHEHKAI PRECISION CO., LTD. (6.30%), Wei Sheng Investments Co., Ltd. (5.06%), Hsieh Er Li Investments Co., Ltd. (2.52%), Chang Yi-Chen (2.31%), Jing Cheng Investments Co., Ltd. (2.07%), Chen Te-Lin (1.67%), Tu Shu-Hui (1.62%), and Tu Shu-Ching (1.62%).

Note: The shareholder information of Sheh Fung Screws Co., Ltd. is based on the top ten major shareholders as disclosed in its 2024 Annual Report.

3. The major shareholders of the corporate shareholders of which the major shareholders are corporations.

Institutional Shareholder	Major Shareholders of Institutional Shareholders and Their Shareholding Percentages
Lead Take Co., Ltd.	Taipei Fubon Commercial Bank, Trustee for Trust Property Account (39.14%), Terry Tu (3.45%), and Tu Shu-Hui (1.62%).
Shen Fung Investments Ltd.	Chen Chun-Yen (35.05%) and Chen Ching-Ya (8.99%).
SHEHKAI PRECISION CO., LTD.	Sheh Fung Screws Co., Ltd. (9.60%), Cheng Ming Investments Co., Ltd. (7.43%), Terry Tu (6.62%), Ronny Investments Co., Ltd. (3.74%), Guan Yi Investments Co., Ltd. (3.47%), Jia Yuan Investment Co., Ltd. (3.02%), SHEHKAI PRECISION CO., LTD. (3.02%), Feng Teng Investments Co., Ltd. (2.51%), Tu Liao Li-Ching (2.24%), and Hsieh Er Li Investments Co., Ltd. (1.74%).
Wei Sheng Investments Co., Ltd.	Chang Yi-Chen (81.48%).
Hsieh Er Li Investments Co., Ltd.	Tu Shu-Hui (81.54%).
Jing Cheng Investments Co., Ltd.	Tu Shu-Ching (35.71%), Chen Nien-Chia (21.43%), Chen Chin-Yi (14.29%), and Chen Pei-Ku (14.29%).

Note: The shareholder information of Lead Take Co., Ltd., Sheh Fung Investment Co., Ltd., Wei Sheng Investment Co., Ltd., Hsieh Er Li Investment Co., Ltd., and Jing Cheng Investment Co., Ltd. is sourced from the data publicly disclosed in the MOEA Business Registration System. The shareholder information of Shehkai Precision Co., Ltd. is based on the top ten major shareholders as disclosed in its 2024 Annual Report.

4. The professional qualifications of the Directors and the Supervisors, and the Diversity Policy and the Independence of the Board of Directors.

(1) Disclosure of the Professional Qualifications of Directors and Supervisors and Information on Independence of Independent Directors:

April 1st, 2026

Criteria Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
HSIAO, CHUN HSIANG	Bachelor of International Trade and Business Administration, Tunghai University, specializing in business management and practice in the sanitary ware industry, operation and leadership strategies of multinational groups, and business planning for investment subsidiaries. Mr. HSIAO, CHUN-HSIANG has both practical experience, strategic management, leadership and academic ability, focusing on the operation and management of the sanitary equipment industry for more than 40 years, and has served as the general manager and current chairman of the board of directors of SANITAR CO., LTD.'s Ware's subsidiaries (including the Company and its subsidiaries), with practical capabilities in financial accounting, business, marketing and operation planning, operation and management related to the sanitary ware industry. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	1. A relative within the second degree of kinship of a director of the Company. 2. One of the Company's top ten individual shareholders. 3. A relative with the second degree of kinship of one of the Company's top ten individual shareholders. 4. The remaining criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and the independence requirements have been met.	0
Director Sheh Fung Screws Co., Ltd. Representative: Terry Tu	EMBA of National University of Kaohsiung, currently serves as Chairman of Sheh Fung Screws Co., Ltd., SHEHKAI PRECISION CO., LTD., and HYE TECHNOLOGY CO., LTD. (all TPEx-listed companies), and Chairman of several non-public companies, with over 30 years of experience in the screw manufacturing industry, specializing in marketing, operations management, and strategic planning. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	1. Representative of the Company's corporate director, Sheh Fung Screws Co., Ltd., which is one of the Company's top ten corporate shareholders. 2. The remaining criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and the independence requirements have been met.	0

Criteria Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
CHANG, YI HSIN	Associate bachelor of Environmental Engineering, National United University, and an assistant factory manager of Zhang-Hsin Ceramic Co., Ltd., specializing in manufacturing R&D technology in the ceramic industry. Mr. CHANG, YI-HSIN has been focused on the manufacturing and R&D of sanitary equipment and the management of the sanitary ware industry for over 25 years. He has previously served as the factory manager of Vietnam Caesar Sanitary Wares Joint Stock Company, and is currently the director, as well as a board member of Sanitar Co., Ltd. and the legal representative of Vietnam Caesar Sanitary Wares Joint Stock Company. He is capable of providing timely operational management opinions to the company's Board of Directors and requesting the management team to develop operational strategies for execution. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	1. One of the Company's top ten individual shareholders. 2. A relative with the second degree of kinship of the representative of Xin-Li Development Co., Ltd., one of the Company's top ten corporate shareholders. 3. The remaining criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and the independence requirements have been met.	0
TSAI, MING HSI	Master of Science in Applied Statistics, Fu Jen Catholic University, specializing in corporate finance practice. Mr. TSAI, MING-HSI was an associate of the International Business Group, Institutional Banking of CTBC, a supervisor of Meiyao International Co., Ltd., an adjunct instructor of Economics Department of National Central University, and is a director of the Company currently, with the ability of operation management, corporate finance and financial analysis. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	1. A relative within the second degree of kinship of a director of the Company. 2. One of the Company's top ten individual shareholders. 3. A relative with the second degree of kinship of one of the Company's top ten individual shareholders. 4. The remaining criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and the independence requirements have been met.	0

Criteria Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
LIN, KUO HUA	Doctor of Philosophy, East China University of Political Science and Law, and a general manager of Archie Industrial (Shanghai) Co., Ltd., specializing in legal related knowledge and business management. Mr. LIN, KUO-HUA has been a member of the Board of Directors of the Company for over 15 years and is able to provide timely operational management opinions to the company's Board of Directors and request the management team to develop operational strategies for execution. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	1. One of the Company's top ten individual shareholders. 2. The remaining criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and the independence requirements have been met.	0
HO, JENG WEI	Master of Accounting and Information Technology, National Chung Cheng University, passed the CPA examination and obtained the professional CPA license, served as a manager of Deloitte Taiwan Accounting Firm, a CPA of Daryar CPA Firm, and is a CPA of Qian Sheng Accounting Firm currently. Mr. HO, JENG-WEI has a professional degree in accounting, and his analytical and management capabilities in the fields of corporate governance and financial accounting will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person himself, his spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	1

Criteria Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
CHENG, SHENG IN	MBA of University of Southern California, obtained the professional CPA license, served as a supervisor of Trade-Van Information Services Co., a supervisor of the accounting office of Nanshan Life Insurance Co., Ltd., a deputy general manager of TAIWAN SECOM CO., LTD., and a special assistant to the chairman of KONGLIN GROUP. Ms. CHENG, SHENG-IN is professional in accounting and experienced in the industry, and her ability in corporate governance, financial accounting analysis, operation and management will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person herself, her spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	2
LIN, JING	Doctor of UFR 06 - Gestion & économie d'entreprise, Université Paris I – PanthéonSorbonne, was a full-time associate professor at the Department of International Business of Tamkang University and the Department of Business Administration of National Taipei University, part-time associate professor at the Department of Economics of National Chengchi University, chairman of Bank Taiwan SECURITIES, chairman of MIRAE ASSET Global Investment, chairman of TAIYEN BIOTECH CO., LTD., and is currently a full-time professor at the Graduate Institute of International Business of National Taipei University. Mr. LIN, JING has extensive academic and puts the theory into practice. He is also good at management experience, and his ability in the fields of corporate governance and operation management will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person himself, his spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	1

Criteria Name	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies of Which the Director Concurrently Serves as an Independent Director
CHEN, HSIEN CHIEN	Bachelor of Law of Chinese Culture University, passed the bar examination and obtained a professional lawyer license, served as a civil notary under the Taipei District Court and the New Taipei District Court, and is a solicitor of Hong Lu Law Firm currently. Mr. CHEN, HSIEN-CHIEN has legal background and practical experience, and will enhance the quality of corporate governance of the Board of Directors and the supervision function of the Audit Committee in terms of corporate governance and compliance with laws and regulations. No circumstances under any subparagraphs of Article 30 of the Company Act were found upon review.	An independent director and meet the requirements for independence: 1. The person himself, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises. 2. The person himself, his spouse, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company. 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Not providing business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.	0

Note 1: Professional Qualifications and Experience: To describe the professional qualifications and experience of directors and supervisors individually, and if they are members of the Audit Committee and have accounting or financial expertise, they should state their accounting or financial background and work experience, and indicate whether there are no circumstances under the subparagraphs of Article 30 of the Company Act.

Note 2: Independent directors shall state the circumstances in which independence is satisfied, including but not limited to whether the people themselves, their spouses, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; the people themselves, their spouses, and relatives within the second degree of kinship (or in the name of others) do not have shareholdings in the Company; and do not serve as a director, supervisor or employee of the Company that has a specific relationship with the Company (in compliance with the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and do not provide business, legal, financial, accounting and other services as well as received remuneration from the Company or its affiliates in the last two years.

(2) Diversity Policy and Independence of the Board of Directors:

A. Diversities of the Board of Directors:

To strengthen corporate governance and enhance the effectiveness of the Board of Directors, the Company has established a board diversity policy in accordance with the “Corporate Governance Best Practice Principles” and relevant internal regulations. Through a diversified composition of directors with varied backgrounds and professional expertise, the Company aims to improve decision-making quality and oversight functions, and continues to refine the Board structure in response to business development and international trends.

a. Specific management objectives of board diversity policy:

In accordance with Article 20 of the “Corporate Governance Best Practice Principles,” the Company has also specified the principles for board diversity in Article 3 of its “Procedures for Election of Directors.” In addition to the requirement that the number of directors concurrently serving as managers shall not exceed one-third of the Board seats, the Board composition shall take into account the Company’s operations, business model, and development needs, and establish appropriate diversity policies covering fundamental conditions and values (such as gender, age, nationality, and culture), as well as professional knowledge and skills (such as law, accounting, industry, finance, marketing, or technology).

Board members are generally expected to possess the necessary knowledge, skills, and competencies required for their duties, including business judgment, accounting and financial analysis, management capabilities, crisis handling, industry knowledge, international market perspective, leadership, and decision-making ability.

In terms of management objectives, the Company’s Board members are expected to have diverse professional backgrounds, and the Company continues to increase the proportion of directors with expertise in sustainability, occupational safety and health, labor rights, and legal affairs to strengthen board diversity and

oversight functions in response to global sustainability trends. In addition, to enhance the independence of independent directors, the term of independent directors is targeted to not exceed three terms. The Company has also set a goal of having at least one director of each gender and continues to improve gender diversity at the Board level.

b. Implementation of board diversity policy:

The current Board of Directors consists of nine members, including one corporate director, four non-executive directors, and four independent directors. Board members possess diverse backgrounds and extensive experience in finance, law, industry expertise, and corporate management, demonstrating the professionalism and diversity of the Board. All directors do not concurrently serve as managers of the Company, thereby supporting the independence and oversight function of the Board.

In terms of gender diversity, the Board currently includes one director of a specific gender, accounting for approximately 11.11% of the total Board, meeting the Company's minimum target of at least one director. However, this has not yet reached the one-third proportion recommended by the competent authority. Due to the nature of the industry and the structure of the talent pool, differences in the proportion of genders in senior management positions have affected the availability of director candidates. The Company will continue to enhance gender diversity through its nomination mechanism and talent development programs.

The status of the Company's board diversity objectives is as follows:

Management Objective	Status
Directors concurrently serving as managers shall not exceed one-third of Board seats	Achieved
Independent directors shall not serve more than three terms to maintain independence	Achieved
At least one director of each gender	Achieved
One-third of Board seats held by each gender	Not achieved

c. Implementation of Board Diversity:

In accordance with the Board diversity policy, and taking into consideration directors' basic qualifications, professional backgrounds, industry experience, and professional competencies, the Company summarizes the diversity of the Board of Directors as follows:

Diversity Criteria Name	1. Basic Composition				2. Professional Background				3. Industry Experience			4. Professional Competencies						
	Nation ality	Gender & Age	Employee Status	Independent Director Tenure	Finance / Accounting	Business Management	Legal	Finance	Manufacturing	Building Materials	Sales / Distribution	Operational Capability	Accounting and Financial Analysis Capability	Business Management Capability	Crisis Management Capability	Industry Knowledge	International Market Perspective	Leadership and Decision-making Capability
HSIAO, CHUN HSIANG	ROC	Male 61~70 years old	-	-	V	V			V	V	V	V	V	V	V	V	V	V
Sheh Fung Screws Co., Ltd. Representative Terry Tu	ROC	Male 51~60 years old	-	-		V			V		V	V		V	V	V	V	V
TSAL, MING HSI	ROC	Male 51~60 years old	-	-	V	V		V				V	V	V		V	V	V
CHANG, YI HSIN	ROC	Male 51~60 years old	V	-		V			V	V		V		V		V	V	V
LIN, KUO HUA	ROC	Male 71~80 years old	-	-		V	V				V	V		V	V		V	V
HO, JENG WEI	ROC	Male 41~50 years old	-	5 years	V							V	V	V	V		V	V
CHENG, SHENG IN	ROC	Female 51~60 years old	-	5 years	V	V		V			V	V	V	V	V		V	V
LIN, JING	ROC	Male 61~70 years old	-	5 years		V		V				V	V	V	V		V	V
CHEN, HSIEN CHIEN	ROC	Male 61~70 years old	-	5 years			V								V		V	V

B. Independence of the Board of Directors:

The Board of Directors of the Company consists of nine directors, including four independent directors, accounting for 44.44% of the total board members. All independent directors meet the requirements of independence and comply with the Securities and Exchange Act as well as the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission. For the professional qualifications of directors and the independence status of independent directors, please refer to pages 9 to 13 of this Annual Report, “Disclosure of the Professional Qualifications of Directors and Supervisors and Information on Independence of Independent Directors.”

The independent directors have no legally defined conflict of interest. In accordance with relevant regulations, the Audit Committee and the Remuneration Committee have been established, with all members being independent directors, in order to strengthen the supervisory function of the Board and enhance the objectivity of decision-making. For information regarding the operation of the Board and the participation of independent directors, please refer to page 30 of this Annual Report.

In addition, only one director of the Company is an employee of the Company (non-managerial level). Such position does not involve participation in operational decision-making authority and does not affect the independent exercise of his duties as a director.

(2) Information on the President, Vice President, General Director, and Supervisors of Various Departments and Branches

April 1st, 2026

Title	Nationality /Country of Origin	Name	Gender	On-board Date	Shares held		Shares held by the spouse and minor children		Shares held in the name of others		Main work experience (educational background)	Concurrent positions currently served as at the Company and other companies	Managerial officer who are the spouses or relatives within in the second degree of kinship			Note
					Number of Shares	Share- holding ratio	Number of Shares	Share- holding ratio	Number of Shares	Share- holding ratio			Title	Name	Relati- on	
General Manager & Corporate Governance Officer	ROC	CHEN, WEI CHIH	Male	Jan. 1, 2016 Aug. 12 2025	95,489	0.13	100,000	0.14	1,484,000	2.04	Deputy General Manager, Vietnam Caesar Sanitary Wares Joint Stock Company (subsidiary) Bachelor of Physics, Tamkang University	General Manager, Vietnam Caesar Sanitary Wares Joint Stock Company (subsidiary) Director, legal representative of Kaisheng Sanitary Ware Co., Ltd.	No	No	No	No
Deputy General Manager, Sales Administration Division	ROC	LIU, MING CHIA	Male	July 1, 2021	45,000	0.06	0	0	0	0	Assistant Chief Operating Officer, Sales Administration Division, Sanitar Co., Ltd. Bachelor of Business Administration, Colorado State University	None	No	No	No	No
Deputy General Manager, Finance Administration Division	ROC	CHEN, YU CHUAN	Female	March 18, 2015	143,222	0.20	0	0	0	0	Manager, Finance Department, Sanitar Co., Ltd. Executive Master of Business, National Chengchi University	None	No	No	No	No

Title	Nationality /Country of Origin	Name	Gender	On-board Date	Shares held		Shares held by the spouse and minor children		Shares held in the name of others		Main work experience (educational background)	Concurrent positions currently served as at the Company and other companies	Managerial officer who are the spouses or relatives within in the second degree of kinship			Note
					Number of Shares	Share- holding ratio	Number of Shares	Share- holding ratio	Number of Shares	Share- holding ratio			Title	Name	Relati- on	
Deputy General Manager, Administration Division	ROC	HUANG, JUNG JEN	Male	Jan. 1, 2024	0	0	0	0	0	0	PhD of Business Administration, College of Business, Chung Yuan Christina University Former Senior Director, Proprietary Retail Brand Division & Executive Assistant to President, CLEVO CO. Former Head of Operations, E-Life Corporation	None	No	No	No	No
Manger, Finance Department & Accounting Officer	ROC	CHEN, CHAO CHIH	Male	Jan. 1, 2024	0	0	0	0	0	0	Bachelor of Accounting and Information Systems, Chang Jung Christian University Manager, SNSPLUS, INC. Assistant Manager, Lion Travel Service Co., Ltd.	None	No	No	No	No
Internal Audit Officer	ROC	LO, HWEI LING	Female	Aug. 5, 2021	0	0	0	0	0	0	Internal Auditor of Plastron Precision Co., Ltd. Internal Auditor of Taiwan Chelic Co., Ltd.	None	No	No	No	No

2. Remuneration of Directors, Supervisors, President, and Vice Presidents in the Most Recent Fiscal Year

(1) Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration of Directors								Total amount of the four items A, B, C, and D and its percentage in the net profit after tax		Relevant Compensation for Currently Being an Employee								Total amount of the seven items A, B, C, D, E, F and G and its percentage in the net profit after tax		Remuneration from reinvested companies or the parent company other than subsidiaries		
		Remuneration (A)		Retirement Pension (B) (Note)		Director's Remuneration (C)		Business Execution Fee (D)				Salary, Bonus, and Special Allowance (E)		Retirement Pension (F) (Note)		Employee Compensation (G)								
		The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The Company		All companies in the consolidated financial report	The Company	All companies in the consolidated financial report				
																		Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	HSIAO, CHUN HSIANG	3,490	4,181	0	0	1,499	1,499	80	80	5,069 1.93%	5,760 2.20%	0	0	0	0	0	0	0	0	0	0	5,069 1.93%	5,760 2.20%	No
Corporate Director	Sheh Fung Screws Co.,Ltd.	140	140	0	0	437	437	0	0	577 0.22%	577 0.22%	0	0	0	0	0	0	0	0	0	0	577 0.22%	577 0.22%	No
	Representative Terry Tu	0	0	0	0	0	0	40	40	40 0.02%	40 0.02%	0	0	0	0	0	0	0	0	0	0	40 0.02%	40 0.02%	No
Director	TSAI, MING HSI	240	240	0	0	750	750	80	80	1,070 0.41%	1,070 0.41%	0	0	0	0	0	0	0	0	0	0	1,070 0.41%	1,070 0.41%	No
Director	CHANG, YI HSIN	240	240	0	0	750	750	80	80	1,070 0.41%	1,070 0.41%	697	1,472	108	108	0	0	0	0	0	0	1,875 0.72%	2,650 1.01%	No
Director	LIN, KUO HUA	240	240	0	0	750	750	80	80	1,070 0.41%	1,070 0.41%	0	0	0	0	0	0	0	0	0	0	1,070 0.41%	1,070 0.41%	No
Independent Director	CHENG, SHENG IN	240	240	0	0	750	750	80	80	1,070 0.41%	1,070 0.41%	0	0	0	0	0	0	0	0	0	0	1,070 0.41%	1,070 0.41%	No
Independent Director	HO, JENG WEI	240	240	0	0	750	750	80	80	1,070 0.41%	1,070 0.41%	0	0	0	0	0	0	0	0	0	0	1,070 0.41%	1,070 0.41%	No
Independent Director	LIN, JING	240	240	0	0	750	750	80	80	1,070 0.41%	1,070 0.41%	0	0	0	0	0	0	0	0	0	0	1,070 0.41%	1,070 0.41%	No
Independent Director	CHEN, HSIEN CHIEN	240	240	0	0	750	750	70	70	1,060 0.40%	1,060 0.40%	0	0	0	0	0	0	0	0	0	0	1,060 0.40%	1,060 0.40%	No

- Please describe the policy, system, standard and structure for the remuneration of independent directors, and the relevance to the amount of remuneration according to the responsibilities, risks, time commitment and other factors: please refer to pages 22 to 29 of this annual report.
- Except as disclosed in the above table, the remuneration received by the directors of the Company in the most recent year for providing services (such as serving as a consultant to non-employees of the parent company / all companies listed in the financial report / reinvestment enterprises, etc.): None

Note: This is the amount provided for retirement pension expense.

(2) Remuneration of the General Manager and Deputy General Managers.

Unit: NT\$ thousands

Title	Name	Salary (A)		Retirement Pension (B) (Note)		Bonus and Special Allowance (C)		Employee Compensation Amount (D)				Total amount of the four items A, B, C, and D and its percentage in the net profit after tax		Remuneration from reinvested companies or the parent company other than subsidiaries
		The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company	All companies in the consolidated financial report	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	CHEN, WEI-CHIH	1,957	2,867	108	108	1,684	1,760	463	0	463	0	4,211 1.61%	5,198 1.98%	No
Deputy General Manager	HUANG, JUNG-JEN	1,818	1,818	108	108	305	305	434	0	434	0	2,666 1.02%	2,666 1.02%	No
Deputy General Manager	CHEN, YU-CHUAN	1,686	1,686	107	107	283	283	60	0	60	0	2,136 0.81%	2,136 0.81%	No
Deputy General Manager	LIU, MING-CHIA	1,683	1,683	104	104	286	286	517	0	517	0	2,590 0.99%	2,590 0.99%	No

Note: This is the amount provided for retirement pension expense.

(3) Names of the Managers and the Distribution Status of the Employee Compensation.

Unit: NT\$ thousands; March 6th, 2026

	Title	Name	Stock Amount	Cash Amount	Total	The percentage of the total in the net profit after tax(%)
Managers	General Manager	CHEN, WEI-CHIH	0	1,773	1,773	0.68%
	Deputy General Manager	HUANG, JUNG-JEN				
	Deputy General Manager	CHEN, YU-CHUAN				
	Deputy General Manager	LIU, MING-CHIA				
	Principal Accounting Officer	CHEN, CHAO-CHIH				

Note: The applicable scope of managerial officers, referred to the scope of managers mentioned in the certificate Tai-Tsai-Cheng III No. 092001301 issued by the Securities and Futures Commission, Ministry of Finance on March 27, 2003.

G. General Manager and persons in equivalent level.

H. Deputy General Manager and persons in equivalent level.

I. Assistant Manager and persons in equivalent level.

J. Chief of Financial Department.

K. Chief of Accounting Department.

L. Other persons who are authorize to manage and sign for the company.

(4) Comparison of the ratio of total remuneration by the Company and all companies included in the consolidated financial statements for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years, and description of the relationship among the policy, standard and combination for remuneration payment, remuneration determining process, operating performance and future risk.

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income after tax on the parent company only or individual financial statements.

Fiscal year Title	2024		2025	
	The ratio of total remuneration paid by the Company to the net income after tax on the parent company only or individual financial statements (%)	The ratio of total remuneration by all companies included in the consolidated financial statements to the net income after tax on the parent company only or individual financial statements (%)	The ratio of total remuneration paid by the Company to the net income after tax on the parent company only or individual financial statements (%)	The ratio of total remuneration by all companies included in the consolidated financial statements to the net income after tax on the parent company only or individual financial statements (%)
Director	4.63%	4.85%	5.03%	5.30%
General Manager and Deputy General Manager	4.41%	4.73%	4.43%	4.80%

B. The policies, standards, and portfolios for the payment of remuneration.

a. Directors' remuneration

The Company may pay remuneration to the directors for the performance of their duties, regardless of operating profit or loss, in accordance with the Company's Articles of Incorporation, which authorize the Board of Directors to determine the value of their participation in and contribution to the Company's operations, taking into account the market rate in the industry. In addition, if the Company has a pre-tax profit for the year, the remuneration shall be distributed in accordance with the Company's Articles of Incorporation. The remuneration package for directors consists of salary, remuneration to directors and attendance fees.

b. Remuneration for General Manager and Deputy General Manager

The President and Vice President shall be appointed and compensated in accordance with the Company's Articles of Incorporation and the Board of Directors' resolution. The compensation standards for managers are based on their individual performance, contribution to work, annual operating results, hard work, and compliance with company policies, as well as on market standards in the industry. The manager's compensation package consists of salary, bonus and employee compensation.

C. Procedures for fixing remuneration.

The remuneration policies and systems of the Company's directors are evaluated by the Company's Nomination Committee and Remuneration Committee in accordance with the Company's "Performance Evaluation Method", and recommendations are made to the Board of Directors for approval by the Board of Directors. The Company's Nomination Committee and Compensation Committee also regularly review the performance and compensation of directors.

D. Correlation with operating performance and future risks.

The remuneration of the Company's directors and managers shall be determined with reference to market standards in the industry, taking into account individual performance, contribution to work and the Company's operating results, and therefore the Company's operating results and changes in market conditions are related to remuneration. The content and amount of compensation for directors and managers will not deviate from financial performance and will not induce directors and managers to engage in behavior that exceeds the Company's risk appetite in pursuit of compensation.

The correlation between performance evaluation results and compensation for directors and managers is as follows.

(1) Performance Evaluation Method

Target	Criteria	Description
Directors	1. The Company has formulated the "Board of Directors' Performance Evaluation Method", and all directors will complete self-assessment questionnaire for internal evaluation at the end of the year individually.	The self-assessment questionnaire covers the following six major aspects, with a total of 23 indicators. A. Mastery of the company's objectives and tasks B. Awareness of Directors' Duties C. Degree of participation in the company's operations D. Internal Relationship Management and Communication E. Professional and Continuing Education of Directors F. Internal control
	2. The Company has established a Nomination Committee, which shall be evaluated in accordance with the "Nomination Committee Organizational Procedures".	At the end of the year, the Nomination Committee will evaluate the performance of each director and report to the Board of Directors in accordance with the "Nomination Committee Organizational Procedures".
	3. The Company has formulated the "Board of Directors' Performance Evaluation Method", which has established that the Board of Directors shall be evaluated from external independent entities or external experts and scholars at least once every three years. The company has commissioned Taiwan Corporate Governance Association (TCGA) to carry out an external performance evaluation project of the Board of Directors in 2025, with a period from October 1, 2024 to September 30, 2025.	The five aspects of the inspection by external professional independent organizations are as follows: A. Composition and Division of Responsibilities of the Board of Directors. B. Guidance and Oversight by the Board of Directors. C. Delegation of Authority and Risk Management by the Board of Directors. D. Communication and Collaboration of the Board of Directors. E. Self-Discipline and Continuous Improvement of the Board of Directors.
Managerial Officers	1. Annual operating results of the Company	The annual operating results of the company will be assessed by the president.
	2. Personal annual performance	The manager's performance will be evaluated by the manager's supervisor in accordance with the annual work performance, and the evaluation items are as follows. A. Mastery of the company's objectives and tasks B. Leadership C. Judgment D. Manager's professional and continuing education

(2) Performance Evaluation Results

A. Directors (1 to 5 levels, with 5 being the best)

Names of the Directors Items and the score of self-evaluation	HSIAO, CHUN HSIANG	TERRY TU	TSAL, MING HSI	CHANG, YI HSIN	LIN, KUO HUA	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. Mastery of the company's objectives and tasks.	3	5	5	5	5	5	5	4.67	5	4.74
2. Awareness of directors' responsibilities.	4.67	4.67	5	5	5	5	5	4.67	5	4.89
3. Degree of participation in the company's operations.	3.38	4.13	5	4.75	5	5	5	4.5	4.88	4.63
4. Management and negotiation of internal relationship.	4	4.67	5	5	5	5	5	4	5	4.74
5. Professionalism and continuing education of directors.	4.67	4.67	5	5	5	5	5	4.67	5	4.89
6. Internal control.	4	4.67	5	5	5	5	5	4.67	5	4.82

B. Managerial Officers(1 to 5 levels, with 5 being the best)

Name and Title Items and the score of self-evaluation	General Manager CHEN, WEI-CHIH	Deputy General Manager LIU, MING-CHIA	Deputy General Manager CHEN, YU-CHUAN	Deputy General Manager HUANG, JUNG-JEN	Principal Accounting Officer CHEN, CHAO-CHIH	Average Score
1. Mastery of the company's objectives and tasks.	4.5	4.3	4	4.2	4.2	4.24
2. Leadership.	4.5	4.3	4	4.2	4.2	4.24
3. Judgment	4.3	4.3	4	4.2	4.2	4.20
4. Professionalism and continuing education of managerial officers.	4.8	4.2	4	4	4.5	4.30

C. External Performance Evaluation

The Company commissioned the external evaluation agency, the "Taiwan Corporate Governance Association," to conduct the external performance evaluation of the Board of Directors for the year 2025. This external professional organization is independent, as it is neither a related party nor has any business relationships with the Company. The results of the external performance evaluation have been submitted to the Board of Directors on December 24, 2025. The relevant information regarding the execution of the external expert evaluation is as follows:

(A) Execution period: September 1, 2025 to October 28, 2025.

(B) Evaluation period: October 1, 2024 to September 30, 2025.

(C) Evaluation methods: data review, self-assessment questionnaires, on-site interviews, etc.

(D) The Association's board performance evaluation service is conducted by an independent and professional external team. Based on each company's stage of development, the evaluation is carried out through a documentary review of the Board's operations and on-site interactions with Board members. This process assists the Company in periodically assessing the effectiveness of the Board's functions and jointly identifying opportunities for enhancement that best reflect the Company's culture and characteristics, while aligning with its developmental objectives at each stage.

The Association's evaluation team reviewed various materials provided by the Company (including minutes of Board meetings and functional committee meetings during the evaluation period), analyzed the results of online questionnaires completed by Board members, and considered publicly available information. The team also conducted interviews with relevant members. Based on the review of documentation, analysis of questionnaire results, and interactions with Directors, the evaluation team compiled and presented recommendations for further consideration by the Board. These recommendations are provided for the Company's internal reference in its ongoing planning, development, and strengthening of Board functions

Overall assessment of the association:

a. Succession of Independent Directors' Experience and Orientation Program for Newly Appointed Directors

The Company's current Board comprises nine directors, including four independent directors (one of whom is female), all of whom are serving their second term. It is recommended that, when planning the composition of the next Board, the Company take into account best practices in corporate governance by further considering gender balance and the tenure of independent directors, in order to promote Board diversity and facilitate the succession of experience among independent directors.

In addition, to enable newly appointed directors to quickly gain an understanding of the Company, the Company currently arranges for the corporate governance officer and key executives to brief new directors

on the industry and business operations. However, this practice has not yet been formalized into written policies. It is recommended that the Company formally incorporate the orientation program for new directors into its corporate governance framework or relevant documentation, and periodically review and continuously enhance the program to ensure that directors can promptly integrate and effectively perform their duties.

b. Development and Succession Planning for Senior Management

Talent is a cornerstone of sustainable corporate development. The Company has established a succession plan for key management personnel, cultivating talent through job rotation, project assignments, and overseas postings.

Given that the Company has established a Nomination Committee, whose responsibilities include defining the professional qualifications required for Board members and implementing director succession planning, it is recommended that the Company consider incorporating “senior management development and succession plan” into the Committee’s scope of responsibilities. The implementation status should also be reported regularly to the Nomination Committee and the Board of Directors, enabling the Board to effectively oversee the development of senior talent and succession planning, and demonstrating the Company’s commitment to sustainable governance.

c. Performance Evaluation of the Chief Internal Auditor

The annual performance evaluation of the Company’s Chief Internal Auditor is currently conducted by the Chairman. In view of the close interaction between the Chief Internal Auditor and the Audit Committee, it is recommended that the Company take into account the opinions of the Audit Committee when setting performance objectives and conducting evaluations for the Chief Internal Auditor. This would help strengthen the independence of internal audit and enhance the Audit Committee’s oversight effectiveness.

d. Performance Evaluation of the Board and Functional Committees

The Company conducts annual self-evaluations of the Board and its functional committees. However, the current questionnaire indicators are largely based on reference templates provided in the Board performance evaluation regulations. It is recommended that the Company, taking into consideration the roles and division of responsibilities of the Board and each functional committee, as well as the Company’s stage of development, incorporate additional elements related to oversight and strategic guidance.

At the same time, the Company is encouraged to strengthen the use of open-ended feedback sections and periodically refine the design of evaluation indicators, so that the self-evaluation results become more discriminating and the overall effectiveness of the evaluation process can be enhanced.

(3) Relevance and reasonableness of performance evaluation results and compensation.

A. Board of Directors

- a. **Compensation:** Compensation is determined based on the level of participation and contribution to the Company's operations, while also considering industry market standards. In addition to receiving a fixed monthly salary, the Chairman of the Board is also awarded a performance bonus, based on 0.5% of the pre-tax net profit from the annual consolidated financial statements. According to performance evaluations, all of the Company's directors have effectively executed their respective responsibilities, and their compensation is considered reasonable.
- b. **Remuneration:** In accordance with the Company's Articles of Incorporation, if the Company achieves pre-tax net profit in a given year, no more than 2% of that profit shall be allocated for the remuneration of the directors. For the fiscal year 2025, director remuneration was allocated at 2%, totaling NT\$7,183 thousand. The individual remuneration for each director is distributed based on their respective income base, with higher allocations for those who have performed exceptionally or made special contributions to the Company's business. Except for the Chairman of the Board, who receives an allocation equivalent to two income bases due to his special contributions in management, the remaining directors each receive one income base.
- c. **Business Execution Fee:** Attendance fees are granted based on the actual number of board meetings attended. The average attendance rate for the Board of Directors for the year 2025 was 98.53%.

B. Managerial Officers

- a. **Salary:** Salaries are determined based on factors such as length of service, contributions, and level of responsibility, while also taking into account industry market standards. All of our managers possess experience in management, business, and finance, and meet certain performance standards across various indicators, making their salaries reasonable.

- b. Bonuses: The main bonuses consist of the year-end bonus and the performance bonus. The General Manager allocates the performance bonus based on 0.5% of the pre-tax net profit from the annual consolidated financial statements. Managers, excluding the General Manager, receive the year-end bonus based on two months' salary, with adjustments made according to the company's operational performance for the year. Both the company's operational performance and individual performance are linked to the managers' bonuses.
- c. Employee's compensation: According to the Company's Articles of Incorporation, if the Company achieves pre-tax net profit in a given year, no less than 2% of that profit shall be allocated for employee compensation. Of the total employee compensation, no less than 80% should be allocated to non-executive employees. The amount of compensation for individual managers will be determined based on their annual performance. For the year 2025, employee compensation was allocated at 4.75%, totaling NT\$17,059 thousand, of which 89.61%, amounting to NT\$15,286 thousand, was allocated to non-executive employees. For fiscal years 2025 and 2024, the compensation for managers amounted to 0.68% and 0.75% of the after-tax net profit, respectively, which remains within a reasonable range.

3. Implementation of Corporate Governance

(1) Board of Directors

The Board of Directors convened 8(A) meetings in 2025. The attendances of directors were as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Chairman	HSIAO, CHUN HSIANG	8	0	100%	None
Director	Sheh Fung Screws Co.,Ltd Representative Terry Tu	4	0	100%	New additional office assumed at the General Shareholders' Meeting held on May 29, 2025; the required number of attendances in 2025 was four.
Director	TSAL, MING HSI	8	0	100%	None
Director	CHANG, YI HSIN	8	0	100%	None
Director	LIN, KUO HUA	8	0	100%	None
Independent Director	HO, JENG WEI	8	0	100%	None
Independent Director	CHENG, SHENG IN	8	0	100%	None
Independent Director	LIN, JING	8	0	100%	None
Independent Director	CHEN, HSIEN CHIEN	7	0	87.5%	None

Other mentionable items:

1. If any of the following circumstances occur in the operation of the Board of Directors, the date of the board meeting, session, agenda items, opinions of all independent directors, and the Company's response to such opinions shall be disclosed:

(1) Matters set forth in Article 14-3 of the Securities and Exchange Act:

The Company has established an Audit Committee; therefore, Article 14-3 of the Securities and Exchange Act is not applicable. Relevant matters are handled in accordance with Article 14-5 of the same Act. Please refer to pages 34 to 37 of this Annual Report, "Operation of the Audit Committee."

(2) Other than the matters described above, any board resolutions to which independent directors have expressed dissenting or qualified opinions that are recorded or stated in writing: None.

2. Recusals of directors due to conflicts of interests, the names of directors, contents of motion, reasons for the recusals of conflicts of interests, and the participation in the vote should be stated.

Names of Directors	Contents of Motion	Reasons for the Avoidance of Conflict of Interest	Participation in the Vote
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HSIAO, CHUN-HSIANG, TSAI, MING-HSI, CHANG, YI-HSIN, LIN, KUO-HUA, HO, JENG-WEI, CHENG, SHENG-IN, LIN, JING, CHEN, HSIEN-CHIEN	Review of the remuneration plan for directors in 2024.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG	Review of the Management Bonus Plan for 2024.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
TERRY TU, Representative of Sheh Fung Screws Co., Ltd.	Review of the new director's remuneration in 2025.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.
HSIAO, CHUN-HSIANG, TERRY TU, Representative of Sheh Fung Screws Co., Ltd., TSAI, MING-HSI, CHANG, YI-HSIN, LIN, KUO-HUA, HO, JENG-WEI, CHENG, SHENG-IN, LIN, JING, CHEN, HSIEN-CHIEN	Review of the directors' performance in 2025, also their performance targets and remuneration in 2026.	The content of the motion concerns the individual directors listed on the left.	The directors listed on the left individually recused themselves from both the discussion and the resolution. The remaining attending directors proceeded with the voting.

3. Disclosure the information and implementation status about self-evaluation of the Board of Directors, including the period, duration, range, methods and contents, etc.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once every year	From December 1, 2024 to November 30, 2025.	Performance Evaluation of the Board of Directors.	Internal self-evaluation by the Board of Directors.	1. The level of participation in the company operations. 2. The quality of decision-making of the Board of Directors. 3. The composition and structure of the Board of Directors. 4. The election and continuing education of directors. 5. Internal control.
Once every year	From December 1, 2024 to November 30, 2025.	Performance Evaluation of directors individually.	Self-assessment by directors.	1. Grasp of the company targets and missions. 2. Awareness of the director's responsibilities. 3. The level of participation in the company operations. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control.
Once every year	From December 1, 2024 to November 30, 2025.	Performance Evaluation of the Compensation Committee	Internal self-evaluation by the Compensation Committee	1. The level of participation in the company operations. 2. Awareness of the compensation committees' responsibilities. 3. The quality of decision-making of the compensation committee. 4. The composition of compensation committee and the selection of the members. 5. Internal control.

Once every year	From December 1, 2024 to November 30, 2025.	Performance Evaluation of the Nomination Committee	Internal self-evaluation by the Nomination Committee	1. The level of participation in the company operations. 2. Awareness of the nomination committees' responsibilities. 3. The quality of decision-making of the nomination committee. 4. The composition of nomination committee and the selection of the members. 5. Internal control.
Once every year	From December 1, 2024 to November 30, 2025.	Performance Evaluation of the Audit Committee	Internal self-evaluation by the Audit Committee	1. The level of participation in the company operations. 2. Awareness of the audit committees' responsibilities. 3. The quality of decision-making of the audit committee. 4. The composition of audit committee and the selection of the members. 5. Internal control.
Once every year	From December 1, 2024 to November 30, 2025.	Performance Evaluation of the Sustainability Committee	Internal self-evaluation by the Sustainability Committee	1. The level of participation in the company operations. 2. Awareness of the sustainability committees' responsibilities. 3. The quality of decision-making of the sustainability committee. 4. The composition of sustainability committee and the selection of the members. 5. Internal control.
Once every three years	From October 1, 2024 to September 30, 2025.	Performance Evaluation of the Board of Directors.	Evaluated by an external professional independent organization. (Taiwan Corporate Governance Association)	1. Composition and Division of Responsibilities of the Board of Directors. 2. Guidance and Oversight by the Board of Directors. 3. Delegation of Authority and Risk Management by the Board of Directors. 4. Communication and Collaboration of the Board of Directors. 5. Self-Discipline and Continuous Improvement of the Board of Directors.

Note: The performance of self-assessment of the Board of Directors and functional committees for the year 2025 was evaluated as good. The overall situation is deemed to be operating effectively. The assessment results were reported to the Board of Directors on December 24, 2025. Please refer to pages 53 to 57 evaluation results.

4. Targets of enhanced functions of board of directors of the year and in the most recent year (e.g. establishing an audit committee, enhancing information transparency, etc.) and evaluation of implementation.

- (1) All important resolutions of the Board of Directors are announced and reported on the Market Observation Post System in accordance with the law, and are simultaneously disclosed on the Investor Zone of the Company's website to provide investors with relevant information through the Internet in order to protect shareholders' rights and interests. The disclosure of financial and corporate governance information is an important responsibility of the Company, and the Company faithfully fulfills its obligations in accordance with the regulations of the

stock exchange and relevant laws and regulations.

- (2) In accordance with the revision of the sample template for "XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors" provided by TWSE, the board of directors passed the partial amendments to the Company's " Rules Governing the Scope of Powers of Independent Directors" on November 4, 2021. This revision aims to clarify the scope of duties for independent directors, further strengthening the corporate governance structure and enhancing the effectiveness of the board of directors.
- (3) The Company has established the "Rules for Performance Evaluation of Board of Directors" and continues to review and refine the relevant mechanisms. Through periodic performance evaluations, the Company enhances the effectiveness of the Board of Directors and its functional committees, as well as the quality of corporate governance. In accordance with applicable regulations, an external independent professional institution or experts/scholars are engaged every three years to conduct such evaluations.
For 2025, the Company engaged an external evaluation institution, the Taiwan Corporate Governance Association, to conduct the Board performance evaluation. The evaluation results were favorable and were reported to the Board of Directors on December 24, 2025, and disclosed on the Company's website under the Investor Relations section.
- (4) With reference to the relevant regulations of the competent authority and the TWSE, the Company has continuously reviewed and revised the "Rules of Procedure for Shareholders Meetings" and "Rules of Procedure for Board of Directors Meetings". The relevant amendments were completed in 2024 and, upon approval by the Board of Directors and the shareholders' meeting, have been implemented to strengthen corporate governance, enhance supervisory functions, and improve the quality of decision-making.
- (5) The Company regularly arranges continuing education programs for its directors each year to continuously enrich their knowledge and maintain their core values, as well as their professional strengths and capabilities. Please refer to pages 102 to 103 for details on the directors' continuing education in 2025.
- (6) The Company completed the procurement of liability insurance for its directors and key personnel on June 1, 2025, to mitigate and diversify the risks of significant damage to the Company and its shareholders that may result from errors or omissions. This was reported to the Board of Directors on June 11, 2025.
- (7) The Company has established functional committees, including the Audit Committee, Nomination Committee, Compensation Committee, and Sustainability Committee. The Sustainability Committee was established in 2024. Through professional division of responsibilities, these committees assist the Board of Directors in performing its oversight functions and review key matters such as financial reporting, internal control, compensation policies, and sustainability, thereby enhancing the Board's governance effectiveness.
- (8) In accordance with the Company Act and Articles 14-3 and 14-5 of the Securities and Exchange Act, matters required to be reviewed by the Audit Committee have been duly submitted to and approved by the Audit Committee prior to being resolved by the Board of Directors for implementation. For the relevant operations and implementation status in 2025, please refer to the following page, "Operation of the Audit Committee."

(2) Operation of the Audit Committee

The Audit Committee consists of 4 independent directors. The mission of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the accounting, auditing, financial reporting processes, and financial controls of the Company.

Functions and responsibilities of the Audit Committee:

- (1) The establishment or revision to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) The assessment of the effectiveness of the internal control system.
- (3) The establishment or revision to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to third party and endorsement guarantees pursuant to Article 36-1 of the Securities and Exchange Act.
- (4) The matters involving conflicts of interest of directors.
- (5) The material asset or derivatives transactions.
- (6) The material lending funds, endorsements or guarantees.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The appointment, dismissal or remuneration of certified public accountants.
- (9) The appointment and removal of the financial, accounting, or internal auditing officers.
- (10) The annual financial reports signed or sealed by the chairman, a manager or an accounting supervisor, and financial reports for the second quarter audited and attested by a certified public accountant.
- (11) The other matters approved by the Company or any material matter as prescribed by the competent authority.

The Audit Committee convened 7 (A) meetings in 2025. The attendance of independent directors was as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Independent Director	HO, JENG WEI	7	0	100%	None
Independent Director	CHENG, SHENG IN	7	0	100%	None
Independent Director	LIN, JING	7	0	100%	None
Independent Director	CHEN, HSIEN CHIEN	7	0	100%	None

Other mentionable items:

1. If any of the following circumstances occur, the dates of the Audit committee's meetings, sessions, contents of motions, objections, reservations or major recommendations by independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be stated.

Session number and date of the Audit Committee's Meetings	Motions and resolutions	Article 14-5 of the Securities and Exchange Act	Matters that have not been approved by the Audit Committee and have been agreed by more than two-thirds of all directors.
The sixth meeting of the 2 nd Audit Committee on 2025.03.04	1. 2024 business report and financial report.	V	
	2. 2024 surplus distribution.	V	
	3. Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2024.	V	
	4. Evaluation of CPA's independency and eligibility.	V	
	5. Discussion on the Company's and its subsidiaries' Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises.	V	
	6. Revision of the provisions of "Internal Control System".	V	
	7. Organizational structure adjustment.	V	
	8. Financial institutions' credit limit.	V	
	9. Acquisition and Disposal of Securities	V	
	10. Discussion on the material transaction between the Company and its shareholders for 2024.	V	
	11. Discussion on the material transaction between the Company and its shareholders for 2025.	V	
	12. Convention of 2024 shareholders' general meeting.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
The seventh meeting of the 2 nd Audit Committee on 2025.03.17	1. Establishing the nomination period, the number of directors to be elected, and the places for receiving nominations.	V	
	2. Adding the agenda items for the 2025 shareholders' annual meeting.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		

The eighth meeting of the 2 nd Audit Committee on 2025.05.06	1. Review of the financial report and the consolidated financial statement of Q1, 2025.	V	
	2. Endorsement and guarantee for Subsidiary POLARC CO., LTD.	V	
	3. Financial institutions' credit limit.	V	
	4. Acquisition and Disposal of Securities.	V	
	5. Lease of the Kaohsiung Exhibition Center.	V	
	6. Renovation of the Taichung Exhibition Center.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
The ninth meeting of the 2 nd Audit Committee on 2025.06.11	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
	1. Establishment of the cash dividend distribution base date and cash dividend payment date for the year 2025.	V	
	2. Endorsement and guarantee for Subsidiary POLARC CO., LTD.	V	
	3. Financial institutions' credit limit.	V	
	4. Replacement of CPA.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
The tenth meeting of the 2 nd Audit Committee on 2025.8.12	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
	1. Review of the financial report and the consolidated financial statement of Q2, 2025.	V	
	2. Financial institutions' credit limit.	V	
	3. Credit Facility for Fund Lending to Subsidiary POLARC CO., LTD.	V	
	4. Acquisition and Disposal of Securities.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
The eleventh meeting of the 2 nd Audit Committee on	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
	1. Review of the financial report and the consolidated financial statement of Q3, 2025.	V	
	2. Cancellation of Credit Facility for Fund Lending to Subsidiary POLARC CO., LTD.	V	
	3. Derivative Financial Instruments Credit Limit.	V	
	4. Revision of the provisions of the "Procedures for Acquisition or Disposal of Assets".	V	

2025.11.07	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		
The twelfth meeting of the 2nd Audit Committee on 2025.12.24	1. Revision of the provisions of the "Rules Governing the Preparation and Filing of Sustainability Reports".	V	
	2. Revision of the provisions of the "Procedures for Ethical Management and Guidelines of Conduct".	V	
	3. Revision of the Company's Internal Control System.	V	
	4. Formulation of the Company's 2026 annual operation plans and budgeting.	V	
	5. Formulation of the Company's 2026 audit plans.	V	
	6. Financial institutions' credit limit.	V	
	7. 2026 Financial institutions' credit limit.	V	
	Resolutions of the Audit Committee: As consulted by the Chairman, all attending members agree to pass the proposal without any dissenting opinion or qualified opinion.		
	The Company's response towards the opinions of the Audit Committee: As consulted by the Chairman, all attending directors agree to pass the proposal without any dissenting opinion or qualified opinion.		

2. Recusals of independent directors due to conflicts of interests, the names of independent directors, contents of motion, reasons for the recusals of conflicts of interests, and the participation in the vote shall be stated: None.

3. Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors (including the material items, methods and results of the audits on the corporate finance or operations, etc.)

(1) The communications between the independent directors and the internal auditors.

Meeting Dates	Matters Communicated	Suggestion and Execution Result
The sixth meeting of the 2nd Audit Committee on 2025.03.04	Reviewed the internal auditor's report.	None.
The seventh meeting of the 2nd Audit Committee on 2025.03.17	Reviewed the internal auditor's report.	None.
The eighth meeting of the 2nd Audit Committee on 2025.05.06	Reviewed the internal auditor's report.	None.

The ninth meeting of the 2nd Audit Committee on 2025.06.11	Reviewed the internal auditor's report.	None.
The tenth meeting of the 2nd Audit Committee on 2025.08.12	Reviewed the internal auditor's report.	None.
The colloquium between independent directors and audit office on 2025.11.07	Reported the internal audit plan. Reported the internal audit progress. Reported the internal and external audit result.	None.
The eleventh meeting of the 2nd Audit Committee on 2025.11.07	Reviewed the internal auditor's report.	None.
The twelfth meeting of the 2nd Audit Committee on 2025.12.24	Reviewed the internal auditor's report.	None.

(2) The communications between the independent directors and the accounting supervisors.

Meeting Dates	Matters Communicated	Suggestion and Execution Result
The sixth meeting of the 2nd Audit Committee on 2025.03.04	Reviewed the financial report and the consolidated financial statement of 2024.	None.
The eighth meeting of the 2nd Audit Committee on 2025.05.06	Reviewed the consolidated financial statement and the manuscript for the audited and attested by an accounting supervisor of Q1, 2025.	None.
The tenth meeting of the 2nd Audit Committee on 2025.08.12	Reviewed the consolidated financial statement and the manuscript for the audited and attested by an accounting supervisor of Q2, 2025.	None.
The colloquium between independent directors and accounting supervisor on 2025.11.07	- Responsibilities of the governance unit. - TWSQM1 quality management for the Firm Scope and method of auditing. - Group structure and audit. - Significant risk and key audit matter. - Communicate with the governance unit about the updates of the Acts in 2025. - Latest Developments in Sustainability Disclosure Standards. - Service team.	None.
The eleventh meeting of the 2nd Audit Committee on 2025.11.07	Reviewed the consolidated financial statement and the manuscript for the audited and attested by an accounting supervisor of Q3, 2025.	None.

(3) Corporate Governance implementation status, the deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the causes of the differences.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
1. Does the company establish and disclose the best practice principles for corporate governance based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		In order to establish a good corporate governance system, the Company has established a "Guideline of Corporate Governance Practices" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", which is disclosed on the Market Observation Post System and the Company's website.	No material difference was found.
2. Shareholding structure and shareholders' rights of the Company				
(1) Does the Company establish an internal operating procedure to deal with shareholders' proposals, inquiries, disputes and litigations? Has the procedure been implemented accordingly?	✓		(1) As regulated by the "Guideline of Corporate Governance Practices", there is an "Investor Section" that provides the information of which the shareholders are concerned and the contact channels with the Company in the Company's official website. A spokesperson and a deputy spokesperson are dedicated to deal with shareholders' proposals and inquiries. Lawyers shall be appointed to deal with matters that involve legal issues or other disputes.	No material difference was found.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company has gotten hold of the list of major shareholders who has the actual control over the company and their ultimate controllers, and regularly discloses the relevant pledges and changes in equity changes of directors and shareholders holding more than 10% of the shares in accordance with the laws and regulations.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has established the “Subsidiary Supervision Operating Measures” and “Rules Governing Financial and Business Matters between the Company and its Affiliated Enterprises” in the internal control system. The financial, operational, and accounting of the affiliated enterprises are all working independently with a dedicated staff, and are all under the control and audit of the parent company.	No material difference was found.
(4) Does the company establish internal rules against insider trading with undisclosed information?	✓		(4) The Company has established and implemented the “Procedures for the Prevention of Insider Trading” in the internal control system.	No material difference was found.
3. Composition and Responsibilities of the Board of Directors (1) Does the Board establish and implement a diversified policy, and specified managing targets?	✓		(1) The Company has established a Nomination Committee and adopted a candidate nomination system. All director candidates are nominated and subject to qualification review by the Nomination Committee, and are submitted to the Board of Directors for resolution before being proposed to the shareholders’ meeting for election, so as to enhance the transparency and professionalism of the director nomination process. The Company has formulated a Board diversity policy. In addition to independence, the selection of Board members also emphasizes	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	✓		diversity of background, professional competence, and industry experience, covering areas such as finance, accounting, law, and business management, in order to enhance the quality of Board decision-making and corporate governance effectiveness. The composition of the Board of Directors complies with relevant legal requirements regarding the proportion of independent directors and is equipped with appropriate professional backgrounds and diversity to ensure the independence of Board operations and the effective exercise of supervisory functions. For details regarding Board diversity and independence, please refer to pages 14 to 17 of this Annual Report, “ Diversity Policy and Independence of the Board of Directors.” (2) In addition to establishing the Compensation Committee and Audit Committee in accordance with applicable laws and regulations, the Company has voluntarily established a Nomination Committee. The “Charter of Nomination Committee” was approved by the Board of Directors on November 8, 2019. Furthermore, to strengthen the governance structure for sustainable development, the Board of Directors resolved on November 6, 2024, to establish the Sustainability Committee and simultaneously approved the adoption of the “Charter of Sustainability Committee.”	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company establish a standard to measure the performance of the Board and implement it annually? Shall the performance evaluation results submit to the Board of Directors and be referenced when determining the remuneration of individual directors and nominations for reelection?	✓		(3) To strengthen corporate governance, the Company has established the “Performance Evaluation Method of the Board of Directors” in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and continues to conduct performance evaluations of the Board of Directors and its functional committees as required. Internal evaluations are conducted annually, while external evaluations are conducted at least once every three years by an independent professional institution or experts/scholars. The evaluation methods, criteria, and results are disclosed on the Company’s website to ensure the effectiveness of Board operations and the quality of corporate governance. The results of the internal and external performance evaluations of the Board of Directors and its functional committees for 2025 were all favorable. The overall operations were considered effective and in compliance with corporate governance requirements. The evaluation results were reported to the Board of Directors on December 24, 2025. For further details, please refer to Note 1 of this table on pages 53 to 57. The results of the Board performance evaluation also serve as an important reference for the reappointment, remuneration, and nomination of individual directors.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) In accordance with Article 29 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, the company conducts an annual evaluation of the independence and suitability of its engaged CPAs with reference to the Audit Quality Indicators (AQIs). The Company obtains the independence declarations and AQI reports issued by the CPAs, which are reviewed by the Audit Committee and submitted to the Board of Directors for approval of their appointment. Based on the Company’s evaluation for 2025, Mr. Chin-Chuan Shih CPA and Mr. Chien-Ming Tseng, CPAs of Deloitte Taiwan, met the Company’s independence assessment standards (see Note 2 of this table on page 58) and the 13 AQI indicators. The independence declaration and AQI reports have been obtained from the CPAs. The results of the assessment were reviewed by the Audit Committee and approved by the Board of Directors on July 11, 2025.	No material difference was found.
4. Do Exchange-listed and OTC-listed companies appoint an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer in charge of corporate governance	✓		(1) In accordance with Article 20 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and in consideration of the Company’s scale, business operations, and management needs, the finance department concurrently serves as the corporate governance unit, with qualified personnel assigned to be responsible for the promotion and execution of corporate governance-related matters.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
affairs (including but not limited to providing information necessary for directors and supervisors to carry out their business, assisting directors and supervisors in complying with the law, conducting board meetings and shareholders' meetings in accordance with the law, taking minutes of board meetings and shareholders' meetings, etc.)?			In addition, upon approval by the Board of Directors on August 12, 2025, Mr. Wei-Chih Chen, the General Manager, was designated to concurrently serve as the Corporate Governance Officer, with assistance from the finance department in handling related matters. Such concurrent appointment is made in accordance with Article 22 of the aforementioned Principles to ensure effective performance of duties and the absence of conflicts of interest. His qualifications and continuing professional education are in compliance with Articles 23 and 24 of the same Principles. The Corporate Governance Officer and related personnel, in accordance with Article 21 of the same Principles, handle corporate governance-related matters as follows: A. Handling matters related to Board of Directors and shareholders' meetings in accordance with applicable laws and regulations. B. Preparation of minutes of Board of Directors and shareholders' meetings. C. Assisting directors with onboarding and continuing education. D. Providing directors with information necessary for the performance of their duties. E. Assisting directors in compliance with applicable laws and regulations.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			F. Other matters as stipulated in the Articles of Incorporation or contracts. (2) 2025 business operations: A. To assist directors and supervisors to perform their duties, provide the necessary information, and arrange further studies: a. To provide the board members with the latest information of the statutory amendments related to corporate governance, as well as their updates from time to time. b. To review the degree of confidentiality of the relevant information and provide the board members with the necessary information to keep the communication between the directors/supervisors and the supervisors of all departments smoothly. c. To make meeting arrangements for the independent directors based on the Guideline of Corporate Governance Practices and to understand and discuss company relevant businesses with the internal audit supervisors and public certified accountants. d. To assist the Board members to arrange a continuing education plan of at least six credits according to the Company's industrial characteristics, and the directors' and supervisors' academic background.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			B. To assist the Board meeting and Shareholders' meeting procedures and resolutions to be in compliance with the laws and regulations: a. To report the Company's corporate governance status to the Board, independent directors, and supervisors, making sure that the relevant legality of the convention of the Board and Shareholders' meetings and corporate governance rules and regulations. b. To assist and remind the Board members to comply with the laws and regulations when making an official resolution in the Board meeting. c. To announce important information in the Chinese and English version at the Public Information Post System as a reference for the investors after making important resolutions in the Board meetings. C. To maintain the relationships with the investors, convene at least two legal person briefings every year, and make arrangements for the directors to have exchanges and communication with the main shareholders, institutional investors, or general shareholders so that the investors can obtain sufficient information to assess and determine the reasonable capital market value and to have shareholders' rights well protected.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			D. To formulate Board meeting agenda and notify the Board members seven days prior to the meeting, offering them the relevant information for the motions. If avoidance is needed due to interest conflicts, they shall be reminded beforehand. Board meeting minutes shall be completed twenty days after the Board Meeting. E. To handle the pre-registration of the date of the shareholders meeting in accordance with the laws and regulations, prepare meeting notices, meeting manuals, annual reports, and meeting records within the statutory time limit, and make announcements on the Public Information Post System; to handle the relevant change registration after any amendment of the Articles of Association or re-election of the Board. F. To assess and insure suitable liability insurance for the directors and supervisors, and remind them of the latest Board report after the completion of the issuance. (3) Please refer to page 104 of the Annual Report for further information of the management's corporate governance continuing education in 2025.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		(1) An Interest Party Section is established in the Company's official website, which includes Shareholders Section, Customer Section, Supplier Section, and Staff Section. The complaint channels and contact information are all disclosed in the various sections. The information of interest parties can be found in the Interest Party Section on the Company's website. (2) A Shareholder Section is established on the Company's website together with the spokesperson and the acting spokesperson that are responsible for the communication channels. An Investor Section is also established on the Company's official website, where the financial and share related information is disclosed. (3) A Customer Section is established on the Company's website which provides customer service e-mail and customer service hotline, serving as the channels of communication for the consumers. (4) A Staff Section is established on the Company's website which provides a staff hotline, e-mail, and staff e-mail, facilitating the communication between the staff. (5) The Company's official website also provides a Supplier Platform for the suppliers to submit their quotations and the Company to manage the suppliers' quality. It is served as a communication channel with the suppliers. (6) The above-mentioned sections will respond promptly and appropriately to important corporate social responsibility issues which are concerned by the interest parties.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has entrusted a professional stock affairs agency, the “Stock Affairs Agency Department of Grand Fortune Securities” to handle various stock affairs on behalf of the Company.	No material difference was found.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has established an exclusive website: http://www.caesar.com.tw , where the financial affairs and corporate governance information are revealed in the Investor Section, serving as a reference for the shareholders and interested party. Information will be updated on a regular basis, facilitating the investors to take it as reference.	No material difference was found.
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The company has appointed a dedicated staff to take charge of the collection and disclosure of the Company’s information and has established a spokesperson and an acting spokesperson to speak on behalf of the Company. The management and employees are requested to keep the financial business confidential, not to disseminate information arbitrarily in order to fully implement the spokesperson system. The process of the Company’s legal person briefings has been uploaded to the Company’s official website, making sure that all information that may affect the shareholders and the interested parties’ decision-making can be disclosed in a timely and fair manner.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the Company publicly announce and file its annual financial reports within two months after the end of the fiscal year, and announce and file its first, second and third quarter financial reports as well as its operations for each month well in advance of the prescribed deadline?	✓		(3) The Company has complied with Article 36 of the Securities and Exchange Act and other applicable regulations by disclosing and filing its annual financial statements within the prescribed deadline (within 75 days after the end of the fiscal year). The individual and consolidated financial statements for fiscal year 2025 were approved by the Board of Directors on March 6, 2026, and disclosed on the Market Observation Post System. As the audit and internal review procedures required appropriate scheduling, the annual financial statements were not filed ahead of schedule but were submitted within the statutory deadline. The financial reports for the first, second, and third quarters of 2025, as well as monthly operating results, were all disclosed and filed ahead of the required deadlines.	The timing of public announcements and filings will be progressively advanced based on the actual implementation schedule.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management	✓		(1) Rights and benefits of employees, care for employees. Please refer to pages 141 to 143 of this annual report, "Labor Relations." (2) Relation with investors. The Company has implemented a spokesperson and acting spokesperson system to serve as a communication channel between the Company and its shareholders, investors, and other stakeholders. The Company also handles information disclosure and filings in accordance with the requirements of the competent authority, and promptly provides information that may affect investors' decision-making.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			(3) Relation with suppliers. The Company has established "Supplier Management Measures", ensuring the delivery, quality, and pricing of the suppliers to be in compliance with the Company's needs and to establish good communication and coordination. (4) Rights of interested parties. Please refer to the "Interested Parties" section under the Investor section on the Company's official website (http://www.caesar.com.tw) and to "The Stakeholder Communication Status Report" on pages 86 to 89 of this annual report. (5) Continuing education of directors and supervisors. Please refer to the "2025 Directors Continuing Education on Corporate Governance" on pages 102 to 103 of this annual report. (6) Execution of risk management policies and risk measuring standards. Please refer to the risk management policies and procedures under the Corporate Governance Section of the Investor Section on the Company's official website and refer to pages 68 to 71 of this annual report. (7) Execution of customer policies. The Company has established a Sales Department and a Customer Service Department that offer channels of product consultation and after-sales services and maintenance, keeping a smooth contact channel with the customers. (8) Liability insurance for the Company's directors and supervisors. The purchase of liability insurance for the directors, supervisors, and	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			important employees was reported to the Board on June 11, 2025 in order to reduce and disperse the risk of major damages to the Company and shareholders that may be caused by mistakes or negligence. The insurance was issued on June 1, 2025 in accordance with the laws and regulations.	
9. Please describe the improvements of Corporate Governance Evaluation System by the Taiwan Stock Exchange Corporate Governance Center announced in the last year, and suggest priorities and measures for improvement where (a company which was not a target of assessment has no need to fill in this column.) (1) Improvements Implemented A. The Company reported directors' remuneration at the 2025 Annual General Meeting, including remuneration policies, individual compensation items, and amounts. B. On December 24, 2025, the Company submitted the "Enhancement of Corporate Value Plan" to the Board of Directors, and disclosed it on the Market Observation Post System and the Company's website. C. In 2025, the Company invested USD 200,000 in green bonds issued by KOREA HYDRO & NUCLEAR POWER CO., LTD. (bond name: P25KHNP1, code: F20101). The bond has obtained green bond qualification recognition from the Taipei Exchange. (2) Priority Enhancement Items and Measures A. The Company will prioritize obtaining third-party assurance for carbon emissions disclosed in the sustainability report. B. The Company will plan to establish an employee satisfaction survey mechanism and conduct analysis and improvement actions. C. The Company will maintain the completion of uploading the English version of the annual financial report at least 18 days prior to the shareholders' meeting. D. The Company will, with reference to domestic and international corporate governance and ESG trends, evaluate the linkage between senior management compensation and ESG performance, and gradually establish relevant policies.				

Note 1: The results of the Board of Directors' performance evaluation for 2025.

Sanitar Co., Ltd.

The 2025 Performance Evaluation Results of the Board of Directors

(1) Basis:

In order to implement corporate governance and enhance the functionality and efficiency of the Board of Directors, the Company has formulated the "Performance Evaluation Method of the Board of Directors" which was approved by the Board of Directors on November 8, 2019. Performance evaluations are conducted regularly every year.

(2) Evaluation Period and Duration:

- A. Internal self-assessment: The Board of Directors and functional committees of the Company shall conduct a performance evaluation at the end of each year.
- B. External assessment: The execution of the Board of Directors' performance evaluation by the Company shall be carried out once every three years by an external professional independent organization or team of external experts and scholars.

(3) Evaluation Procedure:

- A. At the end of each year, a performance evaluation for that year is conducted based on various indicators. The results of both external and internal performance evaluations are submitted for discussion by the Nomination Committee and reviewed and improved by the Board of Directors.
- B. The internal performance evaluation results for the year 2025 have been submitted for discussion by the Nomination Committee on December 24, 2025. The aforementioned procedures and evaluation results are also disclosed on the Company's website

(4) Evaluation Indicators:

- A. The items of the Board of Directors' performance evaluation encompass the following five aspects, totaling 45 indicators:
 - a. The level of participation in the company operations.
 - b. The quality of decision-making of the Board of Directors.
 - c. The composition and structure of the Board of Directors.
 - d. The election and continuing education of directors.
 - e. Internal control.

- B. The items of the performance evaluation of board members encompass the following six aspects, totaling 23 indicators:
 - a. Grasp of the company targets and missions.
 - b. Awareness of the director's responsibilities.
 - c. The level of participation in the company operations.
 - d. Internal relationship management and communication.
 - e. Professionalism and continuing education of directors.
 - f. Internal control.
- C. The items of the Nomination Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
 - a. The level of participation in the company operations.
 - b. Awareness of the Nomination Committee's responsibilities.
 - c. The quality of decision-making of the Nomination Committee.
 - d. The composition and structure of the Nomination Committee.
 - e. Internal control.
- D. The items of the Compensation Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
 - a. The level of participation in the company operations.
 - b. Awareness of the Compensation Committee's responsibilities.
 - c. The quality of decision-making of the Compensation Committee.
 - d. The composition and structure of the Compensation Committee.
 - e. Internal control.
- E. The items of the Audit Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
 - a. The level of participation in the company operations.
 - b. Awareness of the Audit Committee's responsibilities.
 - c. The quality of decision-making of the Audit Committee.
 - d. The composition and structure of the Audit Committee.
 - e. Internal control.
- F. The items of the Sustainability Committee's performance evaluation encompass the following five aspects, totaling 26 indicators:
 - a. The level of participation in the company operations.
 - b. Awareness of the Sustainability Committee's responsibilities.
 - c. The quality of decision-making of the Sustainability Committee.
 - d. The composition and structure of the Sustainability Committee.
 - e. Internal control.

(5) Evaluation Results:

A. Internal self-assessment: The overall operation of the Board of Directors and functional committees is sound, and the evaluation results are satisfactory, meeting the requirements of corporate governance. Each committee has fulfilled its duties and effectively enhanced the functions of the Board of Directors.

- a. The self-assessment of the Board of Directors' performance indicated that the average scores across various dimensions ranged from 4.63 to 4.83 (out of a maximum score of 5.00).

Names of the Directors Items and the score of self-evaluation	HSIAO, CHUN HSIANG	TERRY TU	TSAI, MING HSI	CHANG, YI HSIN	LIN, KUO HUA	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	4.33	4.42	5	4.83	5	5	5	4.33	4.92	4.76
2. The quality of decision-making of the Board of Directors.	4.33	4.75	4.92	5	5	5	5	4.50	5	4.83
3. The composition and structure of the Board of Directors.	4.14	4.86	5	4.71	5	5	5	4.71	5	4.83
4. The election and continuing education of directors.	3.86	4.43	5	4.71	5	5	5	4.57	5	4.73
5. Internal control.	3.43	4.43	5	5	5	5	5	3.86	5	4.63

- b. The self-assessment of the board members' performance indicated that the average scores across various dimensions ranged from 4.63 to 4.89 (out of a maximum score of 5.00).

Names of the Directors Items and the score of self-evaluation	HSIAO, CHUN HSIANG	TERRY TU	TSAI, MING HSI	CHANG, YI HSIN	LIN, KUO HUA	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. Grasp of the company targets and missions.	3	5	5	5	5	5	5	4.67	5	4.74
2. Awareness of the director's responsibilities.	4.67	4.67	5	5	5	5	5	4.67	5	4.89
3. The level of participation in the company operations.	3.38	4.13	5	4.75	5	5	5	4.50	4.88	4.63
4. Internal relationship management and communication.	4	4.67	5	5	5	5	5	4	5	4.74
5. Professionalism and continuing education of directors.	4.67	4.67	5	5	5	5	5	4.67	5	4.89
6. Internal control.	4	4.67	5	5	5	5	5	4.67	5	4.82

- c. The self-assessment of the Nomination Committee indicated that the average scores across various dimensions ranged from 4.60 to 4.90 (out of a maximum score of 5.00).

Names of the Directors Items and the score of self-evaluation	HSIAO, CHUN HSIANG	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	4	5	5	4.75	5	4.75
2. Awareness of the Nomination Committee's responsibilities.	4.63	5	5	4.13	5	4.75
3. The quality of decision-making of the Nomination Committee.	4.14	5	5	4.43	5	4.71
4. The composition and structure of the Nomination Committee.	4.50	5	5	5	5	4.90
5. Internal control.	4	5	5	4	5	4.60

- d. The self-assessment of the Compensation Committee indicated that the average score across various dimensions ranged from 4.75 to 4.94 (out of a maximum score of 5.00).

Names of the Directors Items and the score of self-evaluation	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	5	5	4.5	5	4.88
2. Awareness of the Compensation Committee's responsibilities.	5	5	4.5	5	4.88
3. The quality of decision-making of the Compensation Committee.	5	5	4.57	5	4.89
4. The composition and structure of the Compensation Committee.	5	5	4.75	5	4.94
5. Internal control.	5	5	4	5	4.75

- e. The self-assessment of the Audit Committee indicated that the average score across various dimensions ranged from 4.84 to 5.00 (out of a maximum score of 5.00).

Names of the Directors Items and the score of self-evaluation	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	Average Score
1. The level of participation in the company operations.	5	5	4.75	5	4.94
2. Awareness of the Audit Committee's responsibilities.	5	5	4.38	5	4.84
3. The quality of decision-making of the Audit Committee.	5	5	4.71	5	4.93
4. The composition and structure of the Audit Committee.	5	5	5	5	5.00
5. Internal control.	5	5	4.67	5	4.92

- f. The self-assessment of the Sustainability Committee indicated that the average score across various dimensions ranged from 4.78 to 4.92 (out of a maximum score of 5.00).

Items and the score of self-evaluation \ Names of the Directors	HSIAO, CHUN HSIANG	HO, JENG WEI	CHENG, SHENG IN	LIN, JING	CHEN, HSIEN CHIEN	CHEN, WEI CHIH	Average Score
1. The level of participation in the company operations.	4	5	5	5	5	5	4.83
2. Awareness of the Sustainability Committee's responsibilities.	4.38	5	5	4.5	5	5	4.81
3. The quality of decision-making of the Sustainability Committee.	4.14	5	5	4.71	5	5	4.81
4. The composition and structure of the Sustainability Committee.	4.5	5	5	5	5	5	4.92
5. Internal control.	4	5	5	4.67	5	5	4.78

- g. The subsequent handling method: The results of the performance evaluation for the current year were submitted to the Company's Nomination Committee on December 24, 2025 for discussion. With respect to the indicators with relatively lower scores, opinions were sought from the members of the Nomination Committee to serve as directions for improvement in directors' performance evaluation. In addition, the Company will also take into account the Sustainable Development Action Plan for TWSE/TPEX Listed Companies (2023) and the Corporate Governance Evaluation indicators to review and amend the performance evaluation policies of the Board of Directors and its functional committees.

- B. External Evaluation: In 2025, the Company engaged an external evaluation institution, the Taiwan Corporate Governance Association, to conduct the Board of Directors' external performance evaluation. The said external professional institution is not a related party of the Company, has no business dealings with the Company, and is therefore independent. The results of the external performance evaluation were reported to the Board of Directors on December 24, 2025. For the detailed assessment results, please refer to pages 26 to 27 of this annual report.

Note 2: Assessment Table of Independence and Suitability of CPAs.

Item	Item	Result	Comply with the standard.
1	Is there any direct or indirect substantial financial interest between the CPA, his/her spouse or dependent relatives and the Company?	No	Yes
2	Has there been any mutual financing or guarantee arrangements between the CPA, his/her spouse or dependent relatives and the Company, its directors, or executives?	No	Yes
3	Does the CPA, his/her spouse or dependent relatives have any close business relationships with the Company, its directors, or executives?	No	Yes
4	Are the CPAs, their spouse or dependent relatives not serving as directors, executives, or holding positions with direct and significant influence on the audit work of the Company, or having previously held such positions during the audit period?	No	Yes
5	Have the CPAs, their spouse or dependent relatives not held position as directors, executives, or positions of significant influence within the Company currently or in the past two years? Have they also not committed to holding such positions in the future?	No	Yes
6	Is there no relationship of spouse, consanguinity, affinity or consanguinity within two degrees between the CPA and any directors, supervisors or managerial officers of the Company?	No	Yes
7	Has the CPA not received any expensive gift or present from the Company or the Company's directors, supervisors, managerial officers or major shareholders (valuing more than the value required under the general social etiquette standards).	No	Yes
8	Has the CPA's tenure as the lead accountant for the Company not exceeded seven years, and after rotation, a minimum two-year interval is required before reappointment.	No	Yes
Evaluation Result: <u>The auditors have not violated any independence requirements.</u>			

(4) If a company has established the Compensation Committee or Nomination Committee, then the composition, responsibilities and operation of the committees shall be disclosed:

1. Information on Members of the Compensation Committee:

April 1st, 2026

Title	Criteria Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	Remarks
Independent Director (Convener)	CHENG, SHENG IN	Please refer to the "Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors" on pages 9 to 13 of this annual report.		3	None
Independent Director	HO, JENG WEI			1	None
Independent Director	LIN, JING			1	None
Independent Director	CHEN, HSIEN CHIEN			0	None

Note 1: Professional Qualifications and Experience: To describe the professional qualifications and experience of directors and supervisors individually, and if they are members of the Audit Committee and have accounting or financial expertise, they should state their accounting or financial background and work experience, and indicate whether there are no cases of the provisions of Article 30 of the Company Law.

Note 2: Independent directors shall state the circumstances in which independence is satisfied, including but not limited to whether they, their spouses, relatives of second degree or closer are directors, supervisors or employees of the Company or its affiliated enterprises; the number and proportion of shares in the Company held by themselves, spouses, relatives of second degree or closer (or in the name of others); and whether they are directors, supervisors or employees of companies with specific relationships with the Company (referring to the provisions of Article 3, Paragraph 1, Item 5-8 of the Measures for the Establishment of Independent Directors of Public Offering Companies and matters to be followed); and have not served as the amount of remuneration received in the last two years for the providing business, legal, financial, accounting and other services of the Company or its affiliates.

2. Operations of the Compensation Committee

- (1) There are 4 members in the Compensation Committee of the Company.
- (2) The term of the current committee members is from May 29, 2024 to May 28, 2027. A total of 3 (A) Compensation Committee's meetings were held in 2025; the qualification and the attendance record of the Compensation Committee members were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	CHENG, SHENG IN	3	0	100%	None
Committee Member	HO, JENG WEI	3	0	100%	None
Committee Member	LIN, JING	3	0	100%	None
Committee Member	CHEN, HSIEN CHIEN	3	0	100%	None

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, the dates of the board meetings, sessions, contents of motions, resolutions by the board of directors, and the Company's response to the compensation committee's opinions should be stated. (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the compensation committee, the different circumstances and causes should be stated): None.
2. If any resolutions of the compensation committee are objected or subjected to a qualified opinion and recorded or declared in writing by members, the dates of the compensation committee's meetings, sessions, contents of the motions, all members' opinions and the response to members should be stated:

Meeting Dates	Motions and Follow-ups	Execution Result	The company's handling of the compensation committee's opinions
The third meeting of the 6 th	1. Revision of the provisions of "Manager's Remuneration Rules". 2. 2024 remuneration distribution for the	Motion 3: Except for Commissioners CHENG, SHENG-IN, HO, JENG-WEI, LIN, JING, and CHEN, HSIEN-CHIEN whose personal interests were involved	As consulted by the Chairman in the Board Meeting, all

Compensation Committee on 2025.03.04	employees, and directors. 3. Review of the 2024 remuneration payment of the directors. 4. Review of the 2024 remuneration payment for the Manager's employees. 5. Review of the 2024 operating bonus payment. 6. Distribute special bonuses.	in the motion who withdrew during the discussion and resolution, the other commissioners present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	proposals were approved by the directors present without objection.
The fourth meeting of the 6 th Compensation Committee on 2025.06.11	1. Review of the new directors' remuneration in 2025.	All proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The fifth meeting of the 6 th Compensation Committee on 2025.12.24	1. Review of the directors' performance in 2025, also their performance targets and remuneration in 2026. 2. Review of the managers' performance in 2025, also their performance targets and remuneration in 2026. 3. Review of the 2025 remuneration payment of the directors and employees. 4. Review of the 2025 operating bonus distribution. 5. Review of the 2025 year-end bonus distribution. 6. Discussion of the Company's Compensation Committee's work plan in 2026.	Motion 1: Except for Commissioners CHENG, SHENG-IN, HO, JENG-WEI, LIN, JING, and CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.

3. Information on Members and Operations of the Nomination Committee.

(1) Eligibility Criteria and Responsibilities for Appointed Members of the Nomination Committee.

In order to improve the functions of the Company's board of directors and strengthen the management systems, the Company had approved the "Charter of Nomination Committee" by the Board Meeting held on November 8, 2019 in accordance with the Paragraph 3, Article 27 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". It is expressly stated in the Charter that the Board of Directors shall elect at least three directors, of whom a majority of whom shall be independent directors, and whose committees shall faithfully perform the following functions and powers with the attention of a good manager:

- A. To establish criteria for the diversity background and independence of Board members, such as expertise, skills, experience and gender, and to discover, review and nominate candidates for the Board of Directors.
- B. To structure and develop the organizational structure of the Board of Directors and its committees, to conduct performance evaluations of the Board of Directors, committees and directors, and to assess the independence of independent directors.
- C. Establish and regularly review the directors' refresher plans and succession plans.
- D. Establish the Company's code of the "Guideline of Corporate Governance Practices".

(2) Professional Qualifications, Experiences, and Operations of the Nomination Committee Members.

- A. There are 5 members in the Nomination Committee of the Company.
- B. The term of the current committee members is from May 29, 2024 to May 28, 2027. A total of 2 (A) Nomination Committee's meetings were held in 2024; the professional qualifications and the attendance records of the Nomination Committee members were as follows:

Title	Name	Professional Qualifications and Experiences	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	LIN, JING	Please refer to the "Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent	2	0	100%	None
Committee Member	HSIAO, CHUN HSIANG		2	0	100%	None
Committee Member	CHENG, SHENG IN		2	0	100%	None

Committee Member	HO, JENG WEI	Directors” on pages 9 to 13 of this annual report.	2	0	100%	None
Committee Member	CHEN, HSIEN CHIEN		1	0	50%	None
Other mentionable items: The dates of the main proposals of nomination committee’s meetings, sessions, contents of the motions, matters that are objected or subjected to a qualified opinion by members of nomination committee, the resolutions of the nomination committee and the Company’s response to members should be stated:						
Meeting Dates	Motions and Follow-ups	Execution Result				The company's handling of the nomination committee's opinions
The third meeting of the 3 nd Nomination Committee on 2025.03.17	1. Proposal for the Election of Additional Director(s). 2. Proposal for the Nomination and Approval of Director Candidate(s).	All proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.				As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The fourth meeting of the 3 nd Nomination Committee on 2025.12.24	1. Revision of the provisions of the “Code of Corporate Governance Practices”. 2. Revision of the provisions of the “Remuneration Committee Charter”. 3. Review of the directors’ performance in 2025, also their performance targets and remuneration in 2026. 4. Review the status of the directors' continuing education in 2025 and the refresher programs in 2026.	Motion 3: Except for Commissioners LIN, JING, HSIAO, CHUN-HSIANG, CHENG, SHENG-IN, HO, JENG-WEI, and CHEN, HSIEN CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other commissioners presented at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all commissioners present without objection.				As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.

4. Information on Members and Operations of the Sustainability Committee.

(1) Eligibility Criteria and Responsibilities for Appointed Members of the Sustainability Committee.

To implement the Company's sustainability goals and strengthen sustainable governance, the Sustainability Committee was established in accordance with Article 27, Paragraph 3 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Article 9, Paragraph 1 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies." On November 6, 2024, the Board of Directors approved the Sustainability Committee Charter. According to the Charter, the Committee shall consist of at least three members appointed by the Board of Directors, all of whom must possess professional knowledge and competence in corporate sustainability. At least one member must be a director who will participate in supervisory duties. Depending on the Company's scale and needs, the Committee may establish dedicated or concurrent units to integrate cross-departmental resources and drive sustainability initiatives. Under the authorization of the Board of Directors, the Committee shall fulfill the following responsibilities with the duty of care of a prudent manager and in good faith:

- A. Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.
- B. Review, monitor, and revise the implementation status and performance of sustainability initiatives.
- C. Supervise sustainability-related disclosures and review the sustainability report.
- D. Oversee the execution of the Company's sustainability code of practice and other sustainability-related matters as resolved by the Board of Directors.

The Sustainability Committee has also established four working groups to drive initiatives in key areas: Corporate Governance, Environmental Sustainability, Social Engagement, and Sustainability Disclosure. These cross-functional teams are responsible for implementing tasks related to regulatory compliance, climate change, human rights, community involvement, and information disclosure. Their progress and results will be consolidated and reported to both the working-level sustainability task force and the Committee to ensure the fulfillment of the Company's sustainability objectives.

(2) Professional Qualifications, Experiences, and Operations of the Sustainability Committee Members.

A. There are 6 members in the Sustainability Committee of the Company.

B. The term of the current committee members is from Nov. 06, 2024 to May 28, 2027. A total of 3 (A) Sustainability Committee's meeting was held in 2025; the professional qualifications and the attendance records of the Sustainability Committee members were as follows:

Title	Name	Professional Qualifications and Experiences	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	HSIAO, CHUN HSIANG	Please refer to the "Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors" on pages 9 to 13 of this annual report.	3	0	100%	None
Committee Member	HO, JENG WEI		3	0	100%	None
Committee Member	CHENG, SHENG IN		3	0	100%	None
Committee Member	LIN, JING		3	0	100%	None
Committee Member	CHEN, HSIEN CHIEN		3	0	100%	None
Committee Member	CHEN, WEI CHIH	Please refer to the "Information on the President, Vice President, General Director, and Supervisors of Various Departments and Branches" on pages 18 to 19 of this annual report.	3	0	100%	The General Manager, who is not a member of the Board of Directors, participates in the Committee in a non-director capacity.

Other mentionable items:

The dates of the main proposals of Sustainability Committee’s meetings, sessions, contents of the motions, matters that are objected or subjected to a qualified opinion by members of Sustainability Committee, the resolutions of the Sustainability Committee and the Company’s response to members should be stated:

Meeting Dates	Motions and Follow-ups	Execution Result	The company's handling of the Sustainability Committee's opinions
The second meeting of the 1 st Sustainability Committee on 2025.06.11	1. Analysis Results of Major Themes in the 2024 Sustainability Report 2. International Initiatives in the 2024 Sustainability Report	As consulted by the Chairman, all proposals were approved by the directors present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The third meeting of the 1 st Sustainability Committee on 2025.08.12	1. Review of the “2024 Sustainability Report”	As consulted by the Chairman, all proposals were approved by the directors present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.
The fourth meeting of the 1 st Sustainability Committee on 2025.12.24	1. Revision of the provisions of “Code of Practice for Sustainable Development”. 2. Revision of the provisions of “Regulations Governing the Preparation and Submission of Sustainability Reports”.	As consulted by the Chairman, all proposals were approved by the directors present without objection.	As consulted by the Chairman in the Board Meeting, all proposals were approved by the directors present without objection.

(5) Sustainable Development implementation status, the deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the causes of the differences.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
1. Has the Company established a governance framework to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by senior management authorized by the Board of Directors, and the board of directors supervises the situation?	✓		(1) The company has approved the establishment of the Sustainability Development Committee under the Board of Directors through a resolution passed on November 6, 2024. This committee is responsible for promoting corporate governance, sustainable environmental development, social welfare, and other corporate social responsibilities. It is composed of the Chairman, the General Manager, and Independent Directors, holding regular meetings once a year and additional meetings as needed for discussions on significant issues. In 2025, the committee convened three times, primarily to oversee and review the company's corporate social responsibility (CSR), corporate governance, and sustainability development goals, performance, and progress. The execution plan and outcomes of the 2025 Sustainability Development Program are reported to the Board of Directors at least once a year. The Board provides recommendations on strategic content and execution results and urges the management team to make adjustments when necessary. The 2025 Sustainability Development Execution Plan and Results were reported to the Board of Directors on December 24, 2025.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
2. Does the company conduct risk assessment on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	✓		(1) The Company has established the “Guideline of Sustainable Development Practices” which stipulates the performance of relevant risk assessments on key issues based on the principle of the importance of sustainable development and set the relevant risk management policies or strategies after conducting the relevant assessments. This disclosure covers the sustainability performance of major operating bases from January to December 2025, with risk assessment boundaries including the Company's headquarters, Zaoqiao fulfillment center, Zaoqiao sales office, Kaohsiung sales office and four exhibition centers. The company approved the Risk Management Policy and Procedures through a Board resolution on November 4, 2020, establishing it as the highest guiding principle for risk management. The Company will conduct a regular annual risk assessment and formulate risk management policies targeting various risks. It will cover the management targets, management scope and basis, organizational structure and duties, risk measurement mechanism, and risk management implementation, in order to identify, measure, and control the various risks in an effective manner. All risks arising from the business activities shall be controlled within an acceptable scope.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.						
	Yes	No	Summary							
			(2) The Company’s risk management scope is as follows:<table><tr><th>Risk management scope</th><th>Risk management description</th></tr><tr><td>A. Market Risks</td><td> a. Politics and economy: Risk factors related to domestic and foreign politics and economies that may influence the Company’s finance and/or business. b. Industry: Risk factors consist of the domestic and foreign industries that have direct and/or indirect relationships with the Company’s industry, impacting our finance and/or business. </td></tr><tr><td>B. Operations (including Strategy) Risks</td><td> a. Operations: Risks arising from the change of business and operation models, organizational structure adjustment, product elimination, product and service design, quality management, and business contracts related to major risk management. b. Strategy: Risks that affect the company due to strategic planning, product strategy, competitive strategy, etc. c. Supply chain: Risks arising from supplier quality, pricing, and delivery, corporate social responsibility related issues that may affect the Company. d. Public relations: Risks arising from issues related to public relations, such as brand management, shaping, and maintenance of the business image, etc. that may affect the Company. e. Intellectual property rights: Such as patent application and maintenance, intellectual property right protection, etc. </td></tr></table>	Risk management scope	Risk management description	A. Market Risks	a. Politics and economy: Risk factors related to domestic and foreign politics and economies that may influence the Company’s finance and/or business. b. Industry: Risk factors consist of the domestic and foreign industries that have direct and/or indirect relationships with the Company’s industry, impacting our finance and/or business.	B. Operations (including Strategy) Risks	a. Operations: Risks arising from the change of business and operation models, organizational structure adjustment, product elimination, product and service design, quality management, and business contracts related to major risk management. b. Strategy: Risks that affect the company due to strategic planning, product strategy, competitive strategy, etc. c. Supply chain: Risks arising from supplier quality, pricing, and delivery, corporate social responsibility related issues that may affect the Company. d. Public relations: Risks arising from issues related to public relations, such as brand management, shaping, and maintenance of the business image, etc. that may affect the Company. e. Intellectual property rights: Such as patent application and maintenance, intellectual property right protection, etc.	
Risk management scope	Risk management description									
A. Market Risks	a. Politics and economy: Risk factors related to domestic and foreign politics and economies that may influence the Company’s finance and/or business. b. Industry: Risk factors consist of the domestic and foreign industries that have direct and/or indirect relationships with the Company’s industry, impacting our finance and/or business.									
B. Operations (including Strategy) Risks	a. Operations: Risks arising from the change of business and operation models, organizational structure adjustment, product elimination, product and service design, quality management, and business contracts related to major risk management. b. Strategy: Risks that affect the company due to strategic planning, product strategy, competitive strategy, etc. c. Supply chain: Risks arising from supplier quality, pricing, and delivery, corporate social responsibility related issues that may affect the Company. d. Public relations: Risks arising from issues related to public relations, such as brand management, shaping, and maintenance of the business image, etc. that may affect the Company. e. Intellectual property rights: Such as patent application and maintenance, intellectual property right protection, etc.									

Evaluation Item	Implementation Status			Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No			
			C. Finance (Investment) Risks	a. Risks arising from asset evaluation, credit and solvency, liquidity risks, and accounting policies, that may affect the Company. b. For example, risks due to the intensive concentration of reinvestment subjects, high-risk and high-leverage operations, trading of derivative financial products, financial management, and other short-term investment market price fluctuations, or risks arising from the operation scope management from long-term invested companies caused to the Company.	
			D. Regulatory Compliance Risks	Risks arising from failure to comply with applicable laws and regulations, including but not limited to labor laws, the Company Act and securities trading regulations, import/export regulatory controls, industry codes of conduct, regulations required by competent authorities, and various legal risks that may potentially infringe upon the Company's rights and interests.	
			E. Emerging Risks	a. Risks related to greenhouse gas emission management, carbon rights management, energy management, and other related issues arising from climate change and natural disasters. b. Risks arising from issues related to the safety of the working environment for employees or suppliers, including occupational safety, health	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
				and hygiene, chemical management, safety protection and emergency response, as well as risks associated with infectious diseases.
			F. Information Management Risks	a. Legal Software Management – Ensuring compliance to avoid illegal infringement. b. Protection Against Cyber Intrusions and Malware – Managing threats such as hacking, viruses, and ransomware. c. Information Security Measures – Implementing various preventive measures for data protection. d. Business Continuity Planning – Establishing strategies to ensure uninterrupted operations.
			G. Integrity Management Risks	a. Implementation of Integrity Management Regulations and Related Policies – Ensuring compliance with relevant laws and management guidelines. b. Internal Controls and Supervisory Oversight – Strengthening integrity management through internal controls and supervision at all levels. c. Commitment from Senior Management and Company-wide Advocacy – Promoting integrity education with strong leadership commitment and company-wide awareness. d. Eliminating Conflicts of Interest and Unethical Behavior – Enforcing a culture of integrity by preventing any misconduct or improper benefits among employees

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
3. Environmental Issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) The Company has established appropriate environmental management systems in accordance with industry characteristics, including the following: A. Access Control Security: All locations implement daytime and nighttime access control measures. Security at the Taipei office is maintained through the building's security system, while security services at other locations are provided by Taiwan SECOM Co., Ltd. B. Labor Safety Promotion and Disability/Injury Incidents: In 2025, one work-related injury incident occurred across the headquarters, the Zaoqiao Distribution Center, the Miaoli Sales Office, the Kaohsiung Sales Office, and four exhibition centers. The Zaoqiao Distribution Center strengthened safety awareness during daily morning meetings to enhance employees' hazard identification capabilities and safe work practices. The contents of the safety briefings were recorded in the daily briefing logbook to reinforce workplace safety awareness and maintain a safe working environment. C. Equipment Maintenance and Inspection: a. Forklifts: Dedicated personnel at the distribution center conduct daily inspections according to the inspection checklist and record the results in the daily inspection log. b. Generators: The distribution center conducts regular startup tests every Friday to ensure proper operation during emergencies. c. Hydraulic Pallet Trucks: Custodians are assigned to each	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(2) Does the company endeavor to improve energy efficiency and use renewable materials which have low impact on the environment?	✓		hydraulic pallet truck, with self-inspections conducted every two months and recorded in the equipment maintenance checklist. d. Water Dispensers: All locations regularly test drinking water quality and replace filters to ensure water safety. e. Freight Elevators: The distribution center commissions maintenance contractors to perform monthly maintenance and inspections of freight elevators. D. Safety Protection Measures at the Taipei Office: The Taipei office building conducts fire drills and safety inspections every six months and has installed fire alarm systems throughout the office area to strengthen overall safety protection. (2) The company is committed to the improvement of the utilization efficiency of the different resources and to the usage of recycled materials with lower impacts on the environment. The practices are as the follows: A. To save the raw materials and energy consumed during the production process and to reduce unnecessary external packaging and internal cushioning materials in order to improve the re-utilization efficiency of the resources. B. To launch water-free toilets and a series of water kinetic energy products that have energy-saving, anti-pollution, and water-saving features, which can reduce the impact on the environment. C. To reduce the use of photocopy papers by electronizing parts of the documents of the Company and the official documents. Photocopy papers are recycled for repetitive usage. The	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company assess the potential risks and opportunities of climate change for the enterprise now and in the future, and take relevant measures to respond to them?	✓		internal documents can be transmitted with recycled envelopes. D. To implement trash categorization and set up a recycling station to regularly recycle waste toner cartridges, waste paper, and old computers so that they can be recycled and reprocessed. E. Waste treatment fees and other fees for the recycled items (e.g. alkaline batteries) or containers are paid to the Environmental Protection Bureau every two months. F. A professional cleaning and processing institution is entrusted to conduct quarterly waste removal operations, such as scrap porcelains. G. The construction and delivery center is equipped with a solar power generation system to increase the use of renewable energy (not for self-generation and self-consumption). (3) In order to improve the management of sustainable development, the Company has formed the "Sustainable Development Promotion Team" as a full-time unit through the approval of the Board of Directors. The chairperson serves as the chairman of the committee, and the general manager serves as the vice chairman. The chairperson shall appoint the heads of relevant departments as members, responsible for sustainable development policies, systems or related management guidelines. Annually review the Company's climate change strategies and objectives, manage climate change risks and opportunities, review implementation and discuss future plans, and report regularly to the Board of Directors.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and developed policies to reduce carbon emissions, greenhouse gas emissions, water consumption or manage waste?	✓		According to the TCFD Recommendation Framework published by the Financial Stability Board, the Company assesses the risks and opportunities of climate change and reviews them annually. At the end of 2025, the Company proposed a climate risk assessment and discussed the cost of greenhouse gas emissions, the increase in the cost of raw materials, the increase in production costs due to changes in natural gas prices, and the transition to a low-carbon economy under increasingly stringent environmental regulations. In order to reduce the aforementioned risks, the Company continues to carry out response tests and feasible related measures, proposes product directions based on climate change mitigation, energy management, carbon disclosure information, etc., builds sustainable management capabilities for green energy, environmental protection, health, technology, etc., and cooperates with green buildings to launch related products. (4) The Company pays attention to the greenhouse gas emissions, water consumption, and total waste weight in the past two years and formulates policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management. The practices are as the following: A. All employees advocate energy conservation and carbon reduction, and encourage colleagues to turn off the lights at will. B. Since September 2019, in accordance with the e-invoice policy of the Ministry of Finance, papers used to print invoices with the electronic computers were reduced. Approximately 50,000 sheets of paper for electronic invoices were saved in 2025.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			C. The company's air conditioners are maintained at a fixed temperature and are used together with circulation ventilators, which can reduce the power consumption. D. The Management Department conducts irregular promotions and implementations of the turning-off of the ACs, lighting, and electronic appliances when not using them. E. The Vietnam Caesar Sanitary Wares Joint Stock Company continues promoting the rectification of hydropower and oil gas, and the gas equipment has been replaced with a natural gas system to reduce the burden on the environment. F. Climbing the stairs is encouraged to replace the elevators, which can reduce power consumption. G. The head office replaced all outdoor and indoor air conditioning systems in 2024, resulting in energy savings of approximately 24,849 kWh as of December 2025. The company's statistics cover its headquarters, Zaoqiao shipping center, Miaoli branch, Kaohsiung branch, and four showrooms. Greenhouse gas emissions (CGE 1 and CGE 2) for the past two years were 424.176 tCO₂e in 2024 and 441.6422 tCO₂e in 2025; water consumption for the past two years was 1,720 degree in 2023 and 1,179.4 degree in 2025; the total weight of waste ceramics in the past two years was 53,590 kg in 2024 and 53,770 kg in 2025. H. The Company does not have a production factory in Taiwan, but still cooperates with the social and environmental protection policy and requires all colleagues to implement various water-saving, energy-saving and carbon-saving measures.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
4. Social Issues				
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company's "Human Rights Protection Policy" complies with the internationally recognized human rights standards, such as The United Nations Global Compact, the United Nations' Universal Declaration of Human Rights, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. Based on them, the Company formulates and implements various policies to protect and guarantee human rights. Relevant management policies and procedures, such as work rules, management methods for attendance and absences, sexual harassment, and preventive methods have been formulated. The legal rights and benefits of the employees are guaranteed, whereas the basic labor human rights principles are respected, with the absence of any endangerment of laborers' basic rights.	No material difference was found.
(2) Has the company established and implemented reasonable employee benefits (including pay, leave and other benefits, etc.) and appropriately reflected operational performance or results in employee compensation?	✓		(2) The Company has established and implemented appropriate employee welfare measures (including salary, leaves, and others), which are stated in the following: A. The Company has established employee attendance and leave management based on the Labor Standard Act which explicitly stipulates the working hour standards and the salary payment rules of the different types of leaves. Off-days, holidays, national holidays, and special holidays regulated by the Labor Standards Act are all included within the salary payment scope. B. The assistance and welfares offered to the employees based on the Labor Standard Act and Act of Gender Equality in Employment are stated in the following:	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			a. Maternity leave, pre-maternity leaves, and family care leaves are provided. b. Approval for the leaves without pay for childcare. c. Discount contract signed with childcare institutions offered for the staff. d. The Employee Welfare Committee of our Company offers holiday allowances, birthday bonuses, marriage allowances, maternity allowances, first home purchase allowances, funeral allowances, injury and sickness allowances, child education grants, annual employee trips, and monthly birthdays parties. C. The Company makes appropriate reflections of the operating performance or results on the employees' payment with the following practices: a. The establishment of a Salary and Compensation Committee that sets and reviews regularly the performance assessment of the directors and supervisors and review periodically the policies, systems, standards, and structures of the salaries and remuneration. b. The establishment of "Job Grade, Job Title, and Salary Administration Guidelines" and the "Employee Performance Appraisal and Reward & Punishment Guidelines," policies related to the employees' performance evaluation, and clear and explicit reward and punishment system. D. To attract and retain outstanding talents and to enable employees to share in the Company's operating results, the	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			Company has a comprehensive compensation structure, including monthly base salary, monthly performance target bonuses, and year-end bonuses. Each year, a budget is allocated for salary adjustments, and annual promotions and salary adjustments are made based on employee performance. Monthly performance target bonuses are distributed according to the percentage of business growth, and year-end bonuses are granted based on the Company's operating performance. According to Article 20 of the Company's Articles of Association, no less than 2% of the Company's annual pre-tax net profit before deducting employee and director remuneration shall be allocated as employee remuneration, and no more than 2% for director remuneration. Of the amount allocated for employee remuneration, at least 80% shall be distributed to base-level employees. However, when the Company still has accumulated losses (including adjustments to the amount of undistributed surplus), the budget shall be reserved in advance to cover the deficit. E. Regularly promote training programs and advocacy initiatives, and integrate them with the employee performance evaluation system to ensure a clearer and more effective reward and punishment system. F. In order to achieve diversity and equality in the workplace, both men and women have equal pay conditions and equal promotion opportunities. There is no gender difference in the company's employees, and about 20% of senior executives are women.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The Company is already offering the employees healthy and safe workplaces with regular safety and health education for the employees. The operations are as the follows: A. Disinfection of the various workplaces. B. Regular inspection of the firefighting equipment and sanitation equipment. C. An AC system is installed in the office with sufficient lighting and regular elevator maintenance. D. Security guards are hired to control the access of personnel. E. The employees are insured with the Labor Insurance and National Health Insurance as in accordance with the laws. Additional employer's accident liability insurance, employer's compensation liability insurance, and group insurance are also provided. F. Being equal before the laws, the Company has formulated measures to prevent sexual harassment and disciplinary measures. Explicit regulations are set for the investigation and trials for the accused or the suspects, providing the opportunity of defense of the parties. The investigation shall be conducted in a fair manner, and appropriate disciplinary actions shall be given based on the evidence and "Regulations of the Rewards and Punishments for the Employees". G. Personal data protection policy and management measures are established. Unless it is for a specific purpose, the Company shall not collect, process, and use the personal data. H. Conduct regular health check-ups for employees. I. The Company has implemented occupational safety and health training. From January to December of 2025, there was 1 occupational accident during work hours and 2 traffic accidents during commuting hours. (Note: Starting October 31, 2025, traffic accidents occurring during commuting hours are included in the monthly occupational accident report.).	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(4) Does the company provide its employees with career development and training sessions?	✓		(4) To establish an effective career development and training plan, the Company uses the following methods: A. To create a good environment for the career development of the employees, the Company has set a “Personnel Management Regulations and Measures” that evaluates the performance and promotion based on the work performance and development potentials, regardless the race, class, language, mind, religion, political party, nationality origin, place of birth, gender, sexual orientation, age, marriage, appearance, physical and mental disabilities, constellation, blood type, and previous labor union membership. B. In compliance with the Employment Service Act, the “Personnel Management Regulations and Measures” is established to implement employee recruitment criteria based on their professionalism, talents, ethics, and work experiences, offering everyone fair competition for employment. C. Plans are made based on long-term talent cultivation and on the needs of the departments and of the personnel. Employees’ competitiveness, professional skills, knowledge, and attitude are enhanced via internal and external educational training. Subsidies for educational training can be applied so that the employees can grow together with the Company’s performance. D. Good promotional channels are given. The Company conducts annual evaluations and performance assessments on a regular basis, promoting outstanding talents to become junior to senior management of the Company. E. Succession plans are established for the Board members and important management and shall be disclosed in the Investor Section of the Company's official website.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(5) Does the Company comply with relevant regulations and international standards on customer health and safety, customer privacy, marketing and labeling of its products and services, and establish relevant policies and complaint procedures for the protection of consumers or customers?	✓		(5) The company complies with relevant laws and regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, which are as listed in the following: A. CNS mark. B. Water-saving mark. C. Golden mark for water-saving. D. Anti-fouling mark. E. Load stamp. F. Nano-label. G. Eco-friendly mark. H. Japan's SIAA antibacterial certification. I. Lead-free faucet. J. Energy efficiency grading. K. Code for the design of barrier-free facilities in buildings. L. The Commodity Inspection Act. M. Commodity Labeling Act. N. NCC Telecommunications and Communications Act. The Company has formulated policies and complaints procedures related to the protection of consumers' rights and benefits. They are stated as in the following: A. All product information is completely disclosed on the Company's official website so that the customers can read it at any time. B. "Customer Complaint Measures" is established, providing a comprehensive sales service, review, and enhancement procedures in order to avoid any repetition of the complaint. C. A Customer Service Department is established for the customers to make service consultation or to propose any need or inquiry. D. A free 0800 hotline is set for the consumers, and dedicated staff is assigned to handle all related matters. E. All products are insured with product liability insurance.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(6) Does the company have a supplier management policy that requires suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health or labor human rights, and how is this implemented?	✓		(6) The Company has established "Supplier Management Measures", which is the basis for the regular and/or irregular review of the suppliers. The items of the assessment standard shall include the corporate social responsibility policies. If the supplier is involved with the violation of its corporate social responsibility policies, causing significant impact to the environment and/or society, the Company may terminate the contract(s) at any time. Before having any trading with the suppliers, the Company shall make an appropriate evaluation of the suppliers. The items of the assessment standard include: A. Any records of environmental impact. B. Ethical suppliers are prioritized. C. Suppliers must have "company license, factory registration certificate" or other relevant legal documents issued by the government or environmental protection, safety, and health related certification materials. D. Comply with relevant labor laws and regulations, and protect the legitimate rights and interests of internal employees. During the transaction period, suppliers are subject to regular or irregular evaluations. Regular Evaluations (Quarterly): Suppliers are assessed based on the quality of after-sales service, reasonable pricing, stable product quality, and the absence of poor delivery records.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
			Irregular Evaluations: a. If issues arise regarding product quality, delivery schedules, or violations related to the supplier's corporate social responsibility policies, on-site supplier visits will be arranged to identify the problems and jointly discuss corrective actions and solutions. b. Suppliers are required to ensure that their labor and human rights management systems, as well as health and occupational safety practices, fully comply with the Company's requirements. In early December 2025, the Company reviewed suppliers' relevant training programs aimed at improving environmental protection and occupational health and safety performance, including occupational safety and health training for administrators and supervisors, forklift operator safety training, first aid personnel safety training, and fire safety manager training. A total of five personnel completed new occupational safety and health administrator/supervisor training for 276 hours, while two personnel completed refresher training totaling 12 hours. In addition, two personnel completed forklift operator refresher training totaling 6 hours, one personnel completed a 3-hour first aid refresher course, and one personnel completed a 6-hour fire safety manager refresher course. The Company's supplier evaluation and management operations for 2025 were completed in accordance with the Supplier Management Regulations.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
5. Does the company make reference to international standards or guidelines for the preparation of reports, such as ESG report, which disclose non-financial information about the company?		✓	The Company's 2024 Sustainability Report was completed in August 2025. During the preparation process, the report referenced the GRI Standards, SASB Standards, and the TCFD framework as the basis for non-financial information disclosure to ensure the completeness and transparency of the report content.	No third-party assurance has been obtained yet. The Company will consider gradually introducing external assurance in the future in line with developments in sustainability reporting.
6. If the Company has established the sustainable development principles based on "the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and the implementation: The Company has established a "Code of Sustainable Development" and has implemented it accordingly.				
7. Other important information to facilitate better understanding of the company's sustainable development practices: (1) Social contribution: The Company continues to engage in charitable donations and public welfare activities. In 2025, total donations amounted to approximately NT\$1.2 million. Headquartered in New Taipei City, the Company operates across northern, central, and southern Taiwan, including the Zaoqiao Distribution Center, Miaoli Sales Office, Kaohsiung Sales Office, and four showrooms located in Neihu (Taipei), Zaoqiao (Miaoli), Beitun (Taichung), and Zuoying (Kaohsiung). Donations are primarily directed to communities where the Company operates or nearby areas, and are allocated across the following areas:				

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
A. Education and talent development: Supporting learning and talent cultivation, including donations to Er chong Junior High School, new Taipei City, Tunghai University Academic Development Foundation, and the 2025 ESG Summit. B. Healthcare and public health promotion: Supporting public health and medical services, including donations to the Good Liver Foundation. C. Social welfare and emergency relief: Supporting disadvantaged groups and disaster relief efforts, including Taipei Happy Mount Home for people with disabilities, New Taipei City Light Up Taiwan Neighborhood Association, Sunshine Social Welfare Foundation and Chia-yi Association (Disaster Relief). D. Environmental conservation and sustainability: Supporting local ecology and environmental sustainability, including donations to the Society of Wilderness and the Kaohsiung Wild Bird Society. The Company will continue to address social and environmental issues and promote long-term philanthropic initiatives through education, healthcare, social welfare, and environmental conservation, thereby contributing to society and supporting local communities in line with its sustainability commitment. (2) In 2025, the Company invested USD 200,000 in green bonds issued by Korea Hydro & Nuclear Power Co., Ltd. (bond name: P25KHNP1; code: F20101), which have been certified as qualified green bonds by the Taipei Exchange. (3) Stakeholder communication channels and response methods. The Company has established stakeholder communication channels, including a dedicated section on its website that provides contact information and email addresses for relevant liaison points. It responds appropriately to material ESG-related concerns raised by stakeholders. The 2025 stakeholder communication report was submitted to the Board of Directors on December 24, 2025.				

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
The Company's stakeholder communication status is disclosed as follows:				
Interested parties	Prioritized issues		Communication channels, responses, and communication frequency	
Employees	A. Employee welfare B. Employee evaluation mechanism C. Operation performance D. Employee-management relationship		A. Announcement via the internal website or internal e-mail: Announcement of the various employee welfare (health check-us, group insurance, etc.), welfare committee information, important operation information, educational training information, annual performance management operations, etc. on an irregular basis. B. The Company's employees can contact the supervisors or General Manager directly via e-mail, phone call, or in person. An employee complaint email is provided. C. Conduct regular employee performance evaluations. D. Conduct regular employee interviews for those who have been in service for at least three months. E. A labor-management meeting is convened every three months in order to promote and coordinate labor-management relationship, achieve labor-management cooperation, and prevent various labor problems. F. Contact window: Ms. Chen, Management Department (e-mail:zoe_chen@caesar.com.tw)	
	Shareholders and investors	A. Corporate governance B. Sustainable development strategies C. Risk management D. Participation of shareholders E. Operation		

Evaluation Item		Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
		Yes	No	Summary	
Customers	A. Product quality B. After-sales services			A. A dealer meeting is held every half a year to establish a good interactive relationship with the dealers. Product and consumers' feedbacks are collected in the dealer meeting. B. The Sales Department establishes a timely feedback mechanism of the customers and collects all feedbacks. C. Diversified communication channels and customer satisfaction survey on the website are provided. D. "Sanitar Helper" service for repair is provided to the consumers 360 days, from 9 AM to 9PM. As long as the defect is not caused by human factors, Sanitar Helper will provide on-site service during the warranty term of the product. E. Provide customers with multiple communication channels and a customer satisfaction survey on the website. F. Contact window: Ms. Yang, Sales Department(e-mail : anniya@caesar.com.tw) Mr. Liu, Customer Service Department (e-mail:layne_liu@caesar.com.tw) Customer service hotline 0800-001-885	
Suppliers	A. Supplier management B. Stable supply			A. Maintain regular and constructive communication with suppliers to jointly resolve issues and promote collaboration. B. Contact window: Ms. Huang, Material Department (e-mail:mei@caesar.com.tw)	
Media	Innovation and R&D Product Marketing Development			Regularly issue press releases, hold occasional media press conferences, and maintain daily, real-time contact with various media outlets.	

Evaluation Item		Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
		Yes	No	Summary	
	Marketing and Labelling Risk and Crisis Management Product Quality Management Labor Relations Customer Health and Safety.			Contact Person: Mr. Li Spokesperson (e-mail : tw_spokesman@caesar.com.tw) Mar Ms. Hsieh keting Department: (e-mail : sammi_hsieh@caesar.com.tw)	
Government	Legal compliance Employee benefits Operating performance Labor relations Risk management			We communicate and interact with government agencies through various channels to keep abreast of the latest policy and regulatory developments. The main methods of communication include: receiving and responding to government correspondence, participating in meetings organized by various competent authorities, cooperating with competent authorities in carrying out audits or filling out relevant information, email, telephone, etc. Contact Person: Ms. Luo, Audit Department (e-mail : alice_lo@caesar.com.tw) Ms.Shen Management Division,Human Resources Department: (e-mail : belle_shen@caesar.com.tw) Ms. Tsai Research and Development Department: (e-mail : daisy_tsai@caesar.com.tw)) Ms. Huang, Material Department (e-mail : mei@caesar.com.tw)	

Climate-Related Information of TWSE/TPEX Listed Company

1. Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	To implement sustainability efforts, the company approved the establishment of the Sustainable Development Committee under the Board of Directors through a resolution passed on November 6, 2024. This committee is responsible for promoting corporate governance, developing a sustainable environment, maintaining social welfare, and fulfilling other corporate social responsibilities. It is composed of the Chairman, the General Manager, and Independent Directors, and holds additional meetings as needed to discuss significant issues, ensuring the effective implementation of corporate governance, environmental sustainability, social welfare, and enhanced disclosure of corporate social responsibility (CSR) information. Furthermore, considering the development trends of sustainability issues both domestically and internationally, the relevance to the company's core business, and the impact of business operations on stakeholders, the company has established sustainability development policies, systems, management guidelines, and specific implementation plans. In 2025, the Sustainable Development Committee convened three times, primarily to regularly review the company's CSR, corporate governance, and sustainability development goals, performance, and progress. The 2025 Sustainable Development Execution Plan and Results are scheduled to be reported to the Board of Directors on December 24, 2025.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The company implements the identification of climate change risks and opportunities, referring to the guidelines issued by Climate-related Financial Disclosure (TCFD), domestic and foreign climate change research reports, and climate risk assessment reports issued by financial peers, to collect climate change-related risks and opportunities, and target 16 risks and 11 opportunities were identified, and the climate-related risks and opportunities that have an impact on the company's business are reviewed as follows:

3. Describe the financial impact of extreme weather events and transformative actions.	Climate-related risks and financial impacts: Transition risks				
	No	Risk	Influence	Financial Impact	Adaptation and Action Plan
	1	Local Law	medium term	Increased costs of carbon abatement; Fines may apply.	Always pay attention to relevant regulations and prepare in advance to make your company comply with regulations.
	2	Changes in market demand	short term	Product sales are poor and profits are reduced	We will develop energy-saving and carbon-reducing products in advance according to market demand, and gradually replace old products that consume energy and water.
	3	Impairment of goodwill	short term	Slow-selling products produce inventory, and if they need to be destroyed, costs will be incurred.	Hold promotions to reduce losses. Develop products that meet market demand and have stable quality to offset the loss of products that are removed from the shelves.
	Climate-related risks and financial impacts: Physical risks				
	No	Risk	Influence	Financial Impact	Adaptation and Action Plan
	1	Extreme weather events such as typhoons and floods.	short term	1. Need to prepare an insurance premium budget. 2. Production capacity and maintenance are affected. 3. Loss of machinery and factory buildings.	Plan complete insurance and reduce insurance costs. The equipment should be installed with waterproof and windproof measures.
	2	Changes in rainfall (water) patterns.	medium term	1. Lack of water. 2. Damage to machinery due to flooding.	Save water and plan water storage facilities for emergencies. Purchase sandbags, water pumps and other equipment.
	3	Average annual temperature rise.	long term	1. Increase equipment purchase expenditures. 2. Increase in electricity bills.	To adjust the air conditioner temperature, use a fan. Replacing the air conditioning system of the head office will help save energy.

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company has established a complete risk management organizational structure, policies and management regulations. The risk scope covers operational risks, legal and compliance risks, and environmental risks (including climate risks). Considerations include environmental protection (E, Environmental) and social responsibility. (S, Social) and corporate governance (G, Governance). The company's risk management policy has included environmental risks (including climate risks), which means that the company regards climate change as a strategic business risk and identifies, measures and Management processes are integrated into the company's overall risk procedures. The company's climate risk management process is mainly divided into four major steps, from risk identification, measurement, monitoring to reporting.									
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The sustainable development promotion team evaluates the impact of climate disasters that may occur at 22.1℃~22.3℃ based on the RCP climate scenario selected by the company, and then uses the "Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform" (https://tccip.ncdr.nat.gov.tw/) and "3D Disaster Potential Map" (https://dmap.ncdr.nat.gov.tw/1109/map/) and other public climate model/chart websites, the simulated climate scenario is RCP2.6~RCP8.5, it is estimated that the increase in average rainfall and maximum daily rainfall in 2050 does not exceed the disaster standard of the "3D Disaster Potential Map": 650 mm of rainfall in 24 hours, so there is no immediate flooding for our company There are still water risks, but natural disasters such as typhoons may still cause production shutdowns, transportation difficulties, supply chain interruptions, and personnel absences. ▼ IPCC RCP climate scenario types and related indicators adopted by our company. <table><tr><td>scenario</td><td>RCP 2.6</td><td>RCP 8.5</td></tr><tr><td>Amount of warming</td><td>~2 °C</td><td>~2.2 °C</td></tr><tr><td>Climate related data indicators</td><td>daily maximum rainfall 257.4 mm average annual temperature 22.1 °C</td><td>daily maximum rainfall 283.4 mm average annual temperature 22.3 °C</td></tr></table>	scenario	RCP 2.6	RCP 8.5	Amount of warming	~2 °C	~2.2 °C	Climate related data indicators	daily maximum rainfall 257.4 mm average annual temperature 22.1 °C	daily maximum rainfall 283.4 mm average annual temperature 22.3 °C
scenario	RCP 2.6	RCP 8.5								
Amount of warming	~2 °C	~2.2 °C								
Climate related data indicators	daily maximum rainfall 257.4 mm average annual temperature 22.1 °C	daily maximum rainfall 283.4 mm average annual temperature 22.3 °C								

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The company began conducting greenhouse gas surveys in Taiwan and Vietnam in 2023. Further surveys were conducted in Taiwan and Vietnam in 2025. The head office replaced its air conditioning system in 2024, contributing to overall energy conservation and carbon reduction. Currently, the company has not yet discussed a concrete transformation plan. Future adjustments and responses will be used as indicators and targets for establishing management entities and addressing transformation risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company did not use internal carbon pricing as a planning tool in 2025.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company plans to complete the Scope 1 and Scope 2 greenhouse gas inventory for 2025 in 2026, and will continue to disclose information regarding greenhouse gas emission scopes, implementation timelines, and annual progress. The application of carbon offsets and Renewable Energy Certificates (RECs) is still under evaluation and will be planned based on actual needs in the future.
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	The Company completed greenhouse gas inventory operations in Taiwan ahead of schedule in both 2023 and 2024. In 2026, the Company will disclose the 2025 greenhouse gas inventory information of the parent company in accordance with applicable regulations. In addition, the Company plans to complete third-party assurance for the 2025 greenhouse gas inventory data in 2026, and will continue to monitor the progress and comply with the timeline required by the competent authorities.

1-1 Greenhouse Gas Inventory and Assurance Status in the Latest Two Years:

1-1-1 Status of Greenhouse Gas Inventory

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/million yuan) and data coverage of greenhouse gases in the past two years.

The Company's greenhouse gas emissions and carbon intensity in Taiwan are as follows:

- In 2024, greenhouse gas emissions totaled 424.176 metric tons of CO₂e, with a carbon intensity of 0.152 metric tons CO₂e per NT\$1 million of revenue.
- In 2025, greenhouse gas emissions totaled 441.642 metric tons of CO₂e, with a carbon intensity of 0.169 metric tons CO₂e per NT\$1 million of revenue.

The disclosed data covers the Company's operating sites in Taiwan and is based on the results of greenhouse gas inventory calculations. The data has not yet been verified by an independent third party. Third-party assurance for the 2025 greenhouse gas emissions data is expected to be completed in 2026.

1-1-2 Status of Greenhouse Gas Assurance

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.

According to the timeline set forth in the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies" (the "Sustainability Roadmap"), the Company, as a TWSE-listed company with paid-in capital of less than NT\$5 billion (with actual paid-in capital currently below NT\$800 million), is required to complete external assurance by 2027 in accordance with regulatory requirements. The Company plans to complete third-party assurance by SGS for the 2025 greenhouse gas inventory in Taiwan ahead of schedule in 2026. As of the printing date of the 2025 annual report, external assurance has not yet been conducted.

1-2 Greenhouse Gas Reduction Goals, Strategies and Specific Action Plans:

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

The Company published its 2024 Sustainability Report in August 2025. Information regarding future overall greenhouse gas reduction targets, strategies, and specific actions for the parent company and its subsidiaries will be disclosed in subsequent Sustainability Reports in accordance with the regulatory disclosure timeline.

(6) Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company establish the ethical corporate management policies approved by the Board and declare the policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		(1) The Company has established the “Ethical Operating Procedures and Conduct Guideline” which was approved by the Board. It is explicitly stated in this operating procedures and conduct guideline that the Board and the management shall proactively implement the ethics policies and shall execute them in internal management and external business activities. The ethical operation policies shall be explicitly disclosed in the Company’s official website and the annual report, allowing the suppliers, customers, and other business-related institutions and/or personnel can clearly understand the Company’s ethical operation ideals. It has specific regulations for the Company’s employees when executing their operations. When signing contracts, whether by the Company or its subsidiaries, it shall be based on the principles of ethics and mutual benefits. The contract shall be fulfilled proactively.	No material difference was found.
(2) Does the company establish assessment mechanism for the risk of unethical conducts, regularly analyze and assess the operating activities with higher risk of	✓		(2) The Company has assigned the “Sustainable Committee” to be the unit in charge (hereinafter referred to as the “Unit”) under the Board of Directors. Sufficient resources and suitable staff shall be allocated to conduct the revision, execution, explanation, and consultation of the “Ethical Operating Procedures and Conduct Guideline”, as well as the archiving of the reports and other	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
unethical conducts in its business scope, and establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies? (3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		supervisions. Preventive measures for the following behaviors and conducts shall be covered: 1. Bribery and bribery acceptance. 2. Illegal political contributions. 3. Inappropriate charity donation or sponsor. 4. Provision or acceptance of inappropriate gifts, treatment, or other inappropriate benefits. 5. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engagement in acts of unfair competition. 7. Direct or indirect damages of the products and services caused to the rights, health and safety of consumers or other interested parties in the stage of R&D, procurement, manufacturing, supply, or sales. (3) In addition to the establishment of the “Ethical Operating Procedures and Conduct Guideline”, an audit mechanism is set by the internal audit unit to establish an effective internal control system. The Company’s dedicated unit shall prepare a report of ethical operations every year and submit it to the Board for review and modification in order to prevent business activities with risks of unethical behavior.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) Before any business activities with important customers or suppliers, an assessment is needed on the first hand. The engagement of any business activities shall be conducted in a fair and transparent manner, and contracts shall be complied with. The rights and obligations of both parties shall be stated in the contract in order to prevent any unethical behaviors or conducts.	No material difference was found.
(2) Does the company have a dedicated unit under the Board of Directors to promote ethical business practices and report regularly (at least once a year) to the Board of Directors on its ethical business policies and programs to prevent unethical practices and supervise their implementation?	✓		(2) The responsible unit for the promotion of ethical operations is the Finance Department. It is in charge of the formulation and revision of the ethical operation guideline and the supervision of the implementation of ethical operation policies. It shall report the execution status to the Board on a regular basis every year. The execution status of 2025 was reported to the Board on December 24, 2025.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels with implementation?	✓		(3) It is explicitly indicated in the “Ethical Operating Procedures and Conduct Guideline”, the “Board Meeting Rules”, and the “Ethical Conducts and Behaviors Guideline for the Directors and Managers” the rules of avoidance and description when there is a conflict of interest of the directors, managers, and other interested parties.	No material difference was found.
(4) Has the company put in place an effective accounting system and internal control system for the implementation of ethnical management, and has the internal audit unit prepared an audit plan based on the assessment results of the risk of unethical conduct, and checked compliance with the unethical conduct prevention program accordingly, or appointed a CPA to carry out the audit?	✓		(4) The Company shall establish an effective accounting system and internal control system based on the regulations stipulated by the competent authority and shall make appropriate reviews and revisions on a regular basis depending on the necessities in order to ensure the effectiveness of the system design and continuous operations. The audit unit shall formulate audit plans based on the self-assessment of the internal audits and internal controls and shall check the compliance with the plan to prevent unethical behaviors. An audit report shall be prepared and submitted to the Board with an internal control system statement.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) Regarding the 2025 internal educational training of ethical operations, the General Manager conducted advocacy training to company's supervisors and colleagues, with a total of 20 attendees and 5 hours.	No material difference was found.
3. Operation of Company's Integrity Channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) To implement ethical operation policies and to prevent any unethical behaviors, the Company has established a "whistle-blower system" that encourages internal and external personnel to report unethical or inappropriate behaviors. The reporting and reward system is explicitly stated in the "Ethical Operating Procedures and Conduct Guideline". Exclusive personnel will be assigned to the reported subject and shall notify the whistleblowing information to the Audit Committee. Reports made in the following ways: TEL for Reporting: 02-8512-3712 Reporting e-mail: tw_spokesman@caesar.com.tw Mail address: 7th Floor, No. 111-8, Xingde Road, Sanchong District, New Taipei City, Reporting Mailbox, "Sustainable Development Promotion Team" of Sanitar Co., Ltd.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		The Company has also established an Interested Party Section in the Company's official website where complaint and response channels for different interested parties can be found. (2) In the "Ethical Operating Procedures and Conduct Guideline", the Company has established the standard operating procedures of the investigation when receiving a report, the subsequent measure after the investigation is completed, and the relevant confidentiality mechanism. An appropriate report channel is provided, and the reporter's identity and the content shall be kept confidential.	No material difference was found.
(3) Does the company provide proper whistleblower protection?	✓		(3) The Company shall keep the reporter's identity and the subject being reported confidential, as well as the content of the reporting, during the investigation period. It shall guarantee and protect the reporter not to be mistreated due to the action.	No material difference was found.
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		An "Investor Section" is established on the Company's official website. The content of the ethical operations and other relevant information are disclosed. Corporate governance information can also be found in the Public Information Post System.	No material difference was found.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the causes of the differences.
	Yes	No	Summary	
5. If the company has its own code of ethics in accordance with the "Code of Conduct for Listed Companies", please describe the differences between its operation and the code. The Company has established and implemented the "Procedures and Conduct Guidelines for Integrity Management" and the operation is not different from the established guidelines.				
6. Other important information to help understand the company's integrity operation: (e.g., the company reviews and amends its code of conduct for integrity management, etc.) (1) The Company strictly follows the Company Act, the Securities and Exchange Act, the regulations related to listing on the stock exchange, or other laws and regulations related to business practices as the basis for honest management. (2) The "Rules of Procedures of the Board of Directors" of the Company provides for a system of recusal of directors' interests. Any person who has an interest in a proposal listed by the Board of Directors or the legal entity he/she represents, which may be harmful to the Company's interests, may present his/her opinion and answer questions, but may not join the discussion or vote. (3) The Company has a "Code of Ethical Conduct for Directors and Managers" to guide the ethical conduct of the Company's directors and managers and to enhance the understanding of the Company's ethical standards among the Company's stakeholders. (4) The Company's "Procedures for the Prevention of Insider Trading" and “Procedures for Handling Material Inside Information” stipulate that directors, supervisors, managers and employees shall not disclose material internal information known to them to others, nor shall they ask for or collect material internal information not related to their duties from those who know material internal information of the Company, nor shall they disclose to others material internal information of the Company not known to them for the purpose of conducting business.				

- (7) Other important information that may be disclosed to enhance understanding of corporate governance operations.

1. The Status of the Directors' Continuing Education Related to Corporate Governance in 2025.

Job title	Name	Date	Organizer	Course	Hours
Chairman	HSIAO, CHUN HSIANG	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
		2025.10.31	Securities and Futures Institute	2025 Legal Compliance Briefing on Insider Shareholding Transactions	3.0
Director Representative	TERRY TU	2025.08.07	Taiwan Corporate Governance Association	Legal Risk Analysis: Insider Trading and Prevention of Labor Disputes	3.0
		2025.08.07		Analysis of IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3.0
Director	TSAL, MING HSI	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
Director	CHANG, YI HSIN	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
Director	LIN,KUO HUA	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0

Independent Director	HO, JENG WEI	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
Independent Director	CHENG, SHENG IN	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
		2025.11.05		IFRS 18 Presentation and Disclosure in Financial Statements: Standards and Practical Analysis	6.0
		2025.12.19	Securities and Futures Institute	Next-Generation Human-AI Collaboration: Agentic AI and AI/AR Smart Glasses	3.0
		2025.12.19		AI Development and Applications: Emerging Legal Issues	3.0
Independent Director	LIN, JING	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
Independent Director	CHEN, HSIEN CHIEN	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0

2. The Status of the Senior Corporate Governance Officer's Continuing Education Related to Corporate Governance in 2025.

Jon title	Name	Date	Organizer	Course	Hours
Corporate Governance Officer/ General Manager	CHEN, WEI CHIH	2025.08.12	Accounting Research and Development Foundation	The Age of AI: Practical Applications and Risk Analysis	3.0
		2025.08.28		2025 ESG Leadership Summit	6.0
		2025.09.19	Securities and Futures Institute	Practical Implementation of Internal Controls for Sustainability Information Management	3.0
		2025.10.03		2025 Legal Compliance Briefing on Insider Shareholding Transactions	3.0
		2025.10.31		2025 Compliance Briefing on Insider Shareholding Transactions	3.0

3. The Status of the Managerial Officers' Continuing Education Related to Corporate Governance in 2025.

Jon title	Name	Date	Organizer	Course	Hours
Deputy General Manager	LIU, MING CHIA	2025.08.12	Accounting Research and Development Foundation	The Age of AI: Practical Applications and Risk Analysis	3.0
Deputy General Manager	HUANG, JUNG JEN	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0
Deputy General Manager	CHEN, YU-CHUAN	2025.12.01	Accounting Research and Development Foundation	Continuing Education Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12.0
Principal Accounting Officer	CHEN, CHAO CHIH	2025.06.11	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: A Three-Step Framework for Sustainability Disclosure	3.0
		2025.08.12		The Age of AI: Practical Applications and Risk Analysis	3.0

(8) Internal control system implementation status

1. Statement of Internal Control

Sanitar Co., Ltd.
Statement of Internal Control System

Date: March 6, 2026

Based on the results of our self-assessment, we hereby declare that our internal control system for the year 2025 is as follows:

1. The Company recognizes that it is the responsibility of the Board of Directors and the Manager to establish, implement and maintain an internal control system, and that the Company has established such a system. The purpose of the system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and relevant laws and regulations.
2. No matter how well designed, an effective internal control system can only provide reasonable assurance that the above three objectives will be achieved; moreover, due to changes in circumstances and conditions, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-supervising mechanism and once deficiencies are identified, the Company will take corrective action.
3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the judgment items of the effectiveness of the internal control system stipulated in the "Guidelines Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Guidelines"). The judgment items of the internal control system adopted in the "Guidelines" are divided into five components based on the management control process: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervising operations. Each component includes a number of items. Please refer to the "Guidelines for Handling" for the aforementioned items.
4. The Company has adopted the above internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the preceding evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2025, including the understanding of the extent to which operational

effectiveness and efficiency objectives are achieved, and the reporting of such internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective, and that it can reasonably ensure The Company's internal control system is designed and implemented in a manner that reasonably ensures the achievement of the above objectives.

6. This statement will become the main content of the Company's annual report and public statement, and will be made public. If any of the above-mentioned contents are disclosed in a false or concealed manner, the Company will be subject to legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors' Meeting held on March 6, 2025. Of the 8 directors present, 0 held opposing views and the rest agreed to the contents of this statement.

Sanitar Co., Ltd.

Chairperson: HSIAO, CHUN-HSIANG
Signature

General Manager: CHEN, WEI-CHIH
Signature

2. If an accountant is engaged to review the internal control system, the accountant's review report shall be disclosed.

Not applicable.

(9) Significant resolutions of the shareholders' meeting and the board of directors for the latest year and up to the date of printing of the annual report.

1. Significant Resolutions of Shareholders' Meeting and Implementation

Meeting Date	Cause	Important Resolutions	Execution
2025.05.26	Approvals: 2024 business report and financial statements 2024 distribution of earnings Discussions: - Amendments to the provisions of "Articles of Incorporation". Elections: - Election of one additional director.	All proposals were approved by the shareholders present. All proposals were approved by the shareholders present. The list of elected candidates is as follows: Directors (1 seat): Sheh Fung Screws Co.,Ltd	- All relevant forms and tables were submitted to the competent authority in accordance with the Company Act and other relevant laws for revision and announcement declaration. - July 6, 2025 is set as the dividend base date and July 25, 2025 as the dividend payment date (due to the impact of a typhoon, the payment will be postponed to the next business day). A cash dividend of NT\$2.4 per share will be distributed. - Approved for registration by the Ministry of Economic Affairs on July 17, 2025, and disclosed on the company's website. - Announced on May 26, 2025, on the Market Observation Post System and the company's website.

2. Important Resolutions of the Board of Directors

Meeting date	Motion	Important resolutions
2025.02.20	1. The Company has received a notice from Sheh Fung Screws Co., Ltd. (hereinafter referred to as "Sheh Fung") regarding its public tender offer for the Company's common stock. In accordance with Article 14-1 of the "Regulations Governing the Public Tender Offer for Securities of Public Companies," the Company will verify and review Sheh Fung's identity and financial condition, the fairness of the acquisition terms, and the rationality of the acquisition funding sources, and will provide a proposal to the Company's shareholders regarding this acquisition.	The Board of Directors, having reviewed the public tender offer by Shen Fung, believes that the terms of the offer are in line with the principles of fairness and reasonableness. Therefore, the Board has agreed to the public tender offer. However, shareholders are urged to carefully review the risks of participating in the sale as outlined in the public tender offer announcement and the tender offer prospectus. The decision to participate in the sale is at the discretion of each shareholder. This recommendation is for reference only. Shareholders should carefully evaluate their individual investment needs and financial and tax situations and bear the risks associated with both participating and not participating in the sale.
2025.03.04	1. Revision of the provisions of "Manager's Remuneration Rules". 2. 2024 remuneration distribution for the employees, and directors. 3. Review of the 2024 remuneration payment of the directors. 4. Review of the 2024 remuneration payment for the employees. 5. Review of the 2024 operating bonus payment. 6. Special Bonus Distribution. 7. 2024 business report and financial report. 8. 2024 surplus distribution. 9. Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2024. 10. Evaluation of CPA's independency and eligibility. 11. Discussion on the Company's and its subsidiaries' Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises.	Motion 3: Except for Director HSIAO, CHUN-HSIANG, Director TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 5: Except for Director HSIAO, CHUN-HSIANG, whose personal interests were

Meeting date	Motion	Important resolutions
	12.Revision of the provisions of “Internal Control System”. 13.Organizational structure adjustment. 14.Financial institutions’ credit limit. 15.Acquisition and Disposal of Securities. 16.Discussion on the material transaction between the Company and its shareholders for 2024. 17.Discussion on the material transaction between the Company and its shareholders for 2025. 18.Convention of 2024 shareholders’ general meeting.	involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.
2025.03.17	1. Election of one additional director. 2. Nomination and resolution of the director candidates' list. 3. Establishing the nomination period, the number of directors to be elected, and the places for receiving nominations. 4. Adding the agenda items for the 2025 shareholders' annual meeting.	As consulted by the Chairman, all proposals were approved by the directors present without objection.
2025.05.06	1. Review of the financial report and the consolidated financial statement of Q1, 2025. 2. Endorsement guarantee for POLARC CO., LTD. (subsidiary). 3. Financial institutions’ credit limit. 4. Acquisition and Disposal of Securities. 5. Lease of the Kaohsiung Exhibition Center. 6. Renovation of the Taichung Exhibition Center..	As consulted by the Chairman, all proposals were approved by the directors present without objection.
2025.06.11	1. Review of the new director’s remuneration in 2025. 2. Review of the material topic analysis results for the 2024 Sustainability Report. 3. Review of international initiative disclosures for the 2024 Sustainability Report. 4. Establishment of the cash dividend distribution base date and cash dividend payment date for the year 2025. 5. Endorsement and guarantee for Subsidiary POLARC CO., LTD. 6. Financial institutions’ credit limit. 7. Replacement of CPA.	Motion 1: Except for TERRY TU, the Director Representative of Sheh Fung Screws Co., Ltd. whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.

Meeting date	Motion	Important resolutions
2054.08.12	1. 2024 Sustainability Report. 2. Review of the financial report and the consolidated financial statement of Q2, 2025. 3. Financial institutions' credit limit. 4. Credit Facility for Fund Lending to Subsidiary POLARC CO., LTD. 5. Acquisition and Disposal of Securities. 6. Change of the Corporate Governance Officer.	As consulted by the Chairman, all proposals were approved by the directors present without objection.
2025.11.07	1. Review of the financial report and the consolidated financial statement of Q3, 2025. 2. Cancellation of Credit Facility for Fund Lending to Subsidiary POLARC CO., LTD. 3. Derivative Financial Instruments Credit Limit. 4. Revision of the provisions of the "Procedures for Acquisition or Disposal of Assets".	As consulted by the Chairman, all proposals were approved by the directors present without objection.
2025.12.24	1. Revision of the provisions of the "Rules Governing the Preparation and Filing of Sustainability Reports". 2. Revision of the provisions of the "Organizational Charter of the Remuneration Committee". 3. Review of the directors' performance in 2025, also their performance targets and remuneration in 2026. 4. Review the status of the directors' continuing education in 2025 and the refresher programs in 2026. 5. Review of the managers' performance in 2025, also their performance targets and remuneration in 2026. 6. Review of the 2025 year-end bonus distribution. 7. Revision of the provisions of the "Sustainable Development Best Practice Principles". 8. Revision of the provisions of the "Procedures for Preparation and Filing of Sustainability Reports". 9. Revision of the provisions of the "Procedures for Ethical Management and Guidelines of Conduct". 10. Revision of the Company's Internal Control System. 11. Formulation of the Company's 2026 annual operation plans and budgeting. 12. Formulation of the Company's 2026 audit plans. 13. Financial institutions' credit limit. 14. 2026 Financial institutions' credit limit.	Motion 3: Except for Director HSIAO, CHUN-HSIANG, Director Representative of Sheh Fung Screws Co., Ltd. TERRY TU, TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.

Meeting date	Motion	Important resolutions
2025.03.04	2025 remuneration distribution for the employees, and directors. - Review of the 2025 remuneration payment of the directors. - Review of the 2025 remuneration payment for the employees. - Review of the 2025 operating bonus payment. - Revision of the provisions of “Articles of Incorporation”. 2025 business report and financial report. 2025 surplus distribution. - Cash distribution from capital surplus. - Assessment of the effectiveness of the internal control system and the Internal Control System Statements of 2025. - Evaluation of CPA’s independency and eligibility. - Discussion on the Company’s and its subsidiaries’ Pre-Approved Non-Assurance Services from Deloitte Taiwan and its affiliated enterprises. - Release of directors from non-compete restrictions.. - Convention of 2025 shareholders’ general meeting.	Motion 2: Except for Director HSIAO, CHUN-HSIANG, Director Representative of Sheh Fung Screws Co., Ltd. TERRY TU, TSAI, MING-HSI, Director CHANG, YI-HSIN, Director LIN, KUO-HUA, Director HO, JENG-WEI, Director CHENG, SHENG-IN, Director LIN, JING and Director CHEN, HSIEN-CHIEN whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 4: Except for Director HSIAO, CHUN-HSIANG, whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. Motion 12: Except for TERRY TU, the Director Representative of Sheh Fung Screws Co., Ltd. whose personal interests were involved in the motion who withdrew during the discussion and resolution, the other directors present at the meeting approved the proposals without objection after being consulted by the Chairman. The rest of the proposals, after being consulted by the Chairman, were approved by all directors present.

- (10) For the most recent year and up to the printing date of the annual report, if the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors and there are records or written statements, the main contents of which are:

No such case.

4. Information Regarding Audit Fee of Certified Public Accountants.

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Subtotal	Remark
Deloitte Taiwan	Su-Huan You	From 2025.01.01	2,780	180	2,960	1. The change of signing CPA is due to an internal job reassignment within the audit firm.
	Chien-Ming Tseng	to 2025.03.31				
	Chin-Chuan Shin	From 2026.04.01				2. The non-audit fee concluded NT\$ 180,000 for transfer pricing compliance.
	Chien-Ming Tseng	to 2026.12.31				

- (1) If you change your accounting firm and the audit fee paid in the year of change is less than the audit fee paid in the year before the change, you should disclose the amount of the audit fee before and after the change and the reasons for the change.

No such case

- (2) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed.

No such case.

5. Replacement of CPA

A. Regarding the former CPA

Replacement Date	June 11, 2025			
Replacement reasons and explanations	The original CPAs of the Company were Su-Huan You and Chien-Ming Tseng from Deloitte & Touche firm. Due to internal restructuring at Deloitte & Touche firm, the CPAs of the Company were changed to Chin-Chuan Shih and Chien-Ming Tseng, beginning at second quarter, 2025.			
Describe whether the Company terminated or the CPA did not accept the appointment	Parties		CPA	The Company
	Status		None	None
	Termination of appointment			
	No longer accepted (continued) appointment			
Other issues (except for unqualified issues) in the audit reports within the last two years	None			
Differences with the company	Yes	-	Accounting principles or practices	
		-	Disclosure of Financial Statements	
		-	Audit scope or steps	
		-	Others	
	None	✓		
	Remarks/specify details:			
Other Revealed Matters	None			

B. Regarding the successor CPA

Name of accounting firm	Deloitte & Touche firm
Name of CPA	Chin-Chuan Shih
Date of appointment	June 11, 2025
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

6. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm.

No such case.

7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(1) Changes in shareholdings of directors, supervisors, managers and substantial shareholders

Job Title	Name	2025		For the year ended April 1, 2026	
		Increase (decrease) in shareholding	Increase (decrease) in shares pledged	Increase (decrease) in shareholding	Increase (decrease) in shares pledged
Chairman	HSIAO, CHUN-HSIANG	0	0	0	0
Corporate Director	Shen Fung Screws Co., Ltd.	10,000,000	0	0	0
	Representative: TERRT TU	0	0	0	0
Director	TSAI, MING-HSI	0	0	0	0
Director	CHANG, YI-HSIN	1,000,000	0	0	0
Director	LIN, KUO-HUA	450,000	0	0	0
Independent Director	HO, JENG-WEI	0	0	0	0
Independent Director	CHENG, SHENG-IN	0	0	0	0
Independent Director	LIN, JING	0	0	0	0
Independent Director	CHEN, HSIEN-CHIEN	0	0	0	0
General Manager	CHEN, WEI-CHIH	25,000	0	0	0
Deputy General Manager	HUANG, JUNG-JEN	0	0	0	0
Deputy General Manager	LIU, MING-CHIA	12,000	0	0	0
Deputy General Manager	CHEN, YU-CHUAN	0	0	0	0
Principal Accounting Officer	CHEN, CHAO-CHIH	0	0	0	0

14. Information on the relationship between shareholders whose shareholding ratio accounts for the top ten shareholders are related to each other or are spouses or relatives within the second degree of kinship.

March 28, 2026

Name	Shares Held		Shares Held by Spouse and Minors		Shares Held in the name of Others		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship.		Remark
	Shares	%	Shares	%	Shares	%	Name (or name)	Relationship	
SHEN FUNG SCREWS Co., Ltd.	10,000,000	13.77%	Not applicable				None	None	None
SHEN FUNG SCREWS Co., Ltd. Responsible Person: TERRY TU	0	0.00%	0	0.00%	0	0.00%	None	None	None
HSIAO, CHUN HSIANG	5,013,581	6.91%	1,154,069	1.59%	0	0.00%	TSAI, TZY-CHUN	Son in Law	None
							TSAI, MING-HSI	Wife's Younger Brother	
Xin-Li Development Co.	3,523,000	4.85%	Not applicable				None	None	None
Xin-Li Development Co. Responsible Person: CHANG, CHUN HAO	0	0	Data not available				CHANG, YI-HSIN	Father and Son	None
HCG Corporation	3,263,000	4.49%	Not applicable				None	None	None
HCG Corporation Responsible Person: CHIU, LI-CHIEN	0	0	Data not available				None	None	None
LIN, KUO-HUA	2,574,574	3.55%	685,409	0.94%	0	0.00%	None	None	None
TSAI, MING HSI	2,573,195	3.54%	292,067	0.40%	0	0.00%	HSIAO, CHUN HSIANG	Elder Sister's Husband	None
							TSAI, TZY-CHUN	Father and Son	

Name	Shares Held		Shares Held by Spouse and Minors		Shares Held in the name of Others		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship.		Remark
	Shares	%	Shares	%	Shares	%	Name (or name)	Relationship	
TSAI, TZY CHUN (deceased)	2,431,247	3.35%	1,140	0.00%	0	0.00%	HSIAO, CHUN -HSIANG	Son in Law	None
							TSAI, MING-HSI	Father and Son	
HUANG, YUE ZHAO	2,203,538	3.04%	Data not available				None	None	None
CHANG, YI-HSIN	1,730,000	2.38%	0	0.00%	0	0.00%	Xin-Li Development Co. CHANG, CHUN HAO	Father and Son	None
HSIN HSING Co. Ltd.	1,484,000	2.04%	Not applicable				None	None	None
HSIN HSING Co. Ltd. Responsible Person: CHEN, YU-YUAN	203,000	0.28%	Data not available				None	None	None

Note 1: The top ten shareholders must all be listed. For corporate shareholders, both the name of the corporate entity and the name of its representative must be specified.

Note 2: The calculation of shareholding percentages includes shares held in the shareholder's own name, as well as those held in the name of their spouse, minor children, or under other persons' names.

Note 3: The relationships between the listed shareholders, including both corporate and individual shareholders, must be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company.

Units: Shares; %; December 31, 2025

Shift in Investments (Note)	Investments by the Company		Investments by Directors, Supervisors, Managers and Ownership Directly or Indirectly Controlled by the Company		Integrated Investment	
	Shares	%	Shares	%	Shares	%
Vietnam Caesar Sanitary Wares Joint Stock Co.	41,877,700	99.99	200	0	41,877,900	99.99
Kaisheng Sanitary Co., Ltd.	1,836,000	51.00	0	0	1,836,000	51.00
POLARC CO., LTD.	-	57.33	0	0	-	57.33

Note: Long-term investments accounted for by the equity method.

III. Capital Overview

1. Capital and shares

(1) Source of Equity

Unit: NT\$ thousands; thousands of shares

Year Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Shares	Monetary Amount	Shares	Monetary Amount	Source of Capital Shares	The Use of Property Other Than Cash to Offset the Payment of Shares	Others
1999 Dec.	10	16,000	160,000	16,000	160,000	Cash capital increase of \$105,000 thousand.	None	Note 1
2007 Oct.	10	50,000	500,000	20,000	200,000	Surplus capital increase \$40,000 thousand.	None	Note 2
2009 Dec.	10	50,000	500,000	50,000	500,000	Cash capital increase of \$300,000 thousand.	None	Note 3
2010 Aug.	10	100,000	1,000,000	56,500	565,000	Cash capital increase \$15,000 thousand. Surplus capital increase \$50,000 thousand.	None	Note 4
2010 Dec.	25	100,000	1,000,000	64,500	645,000	Cash capital increase \$80,000 thousand.	None	Note 5
2013 Oct.	27	100,000	1,000,000	72,600	726,000	Cash capital increase \$81,000 thousand.	None	Note 6

Note 1: Approval number: Ministry of Economic Affairs, January 04, 2000 (089) Business 148081

Note 2: Approval No.: Ministry of Economic Affairs, October 25, 2007, Economic and Social Affairs No.
09632946040

Note 3: Approval No.: Ministry of Economic Affairs, January 18, 2010, Economic and Commercial Affairs
No. 09901011600

Note 4: Approval No.: Ministry of Economic Affairs, September 06, 2010, Economic and Commercial
Affairs No. 09901201140

Note 5: Approval No.: Ministry of Economic Affairs, January 28, 2011, Economic and Commercial Affairs
No. 10001021530

Note 6 : Approval No.: FSC, September 11, 2013, FSC Certificate No. 1020037401, Ministry of Economic
Affairs, November 06, 2013, 10201226950

Unit: Shares

Shares Species	Authorized Share Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Shares	72,600,000	27,400,000	100,000,000	Listing

Information about the Omnibus Reporting System: Not applicable.

(2) List of major shareholders

Name, amount and percentage of shareholding of top 10 shareholders or shareholders with 5% or more of total issued stocks.

Shares Name of Major Shareholders	Number of Shares Held	Ratio of Shareholding
SHEN FUNG SCREWS Co., Ltd.	10,000,000	13.77%
HSIAO, CHUN-HSIANG	5,013,581	6.91%
Xin-Li Development Co.	3,523,000	4.85%
HCG Corporation	3,263,000	4.49%
LIN, KUO-HUA	2,574,574	3.55%
TSAI, MING-HSI	2,573,195	3.54%
TSAI, TZY-CHUN	2,431,247	3.35%
HUANG, YUE-ZHAO	2,203,538	3.04%
CHANG, YI-HSIN	1,730,000	2.38%
HSIN HSING Co. Ltd.	1,484,000	2.04%

(3) Dividend Policy and Implementation Status

1. Company Dividend Policy

In addition to the Company Law and the Company's Articles of Incorporation, the Company shall distribute dividends to shareholders at a rate of not less than 50% of the current and future development plans, taking into account the investment environment, capital requirements and domestic and international competition, and taking into account the interests of shareholders; provided, however, that if the current after-tax profit is less than the current after-tax profit, the Company shall distribute dividends to shareholders at a rate of not less than 50% of the current after-tax profit. In addition, the Company shall distribute dividends to shareholders at a rate of not less than 50% of its net income for the current year, unless the distributable earnings for the current period is less than the net income for the current period. Dividends may be distributed in cash or in stock, with cash dividends not less than 10% of the total stock dividends, except when the stock dividends are less than \$1 per share.

2. Circumstances of the proposed dividend distribution at the shareholders' meeting

The Company's 2025 earnings distribution and cash distribution from capital surplus were resolved by the Board of Directors on March 6, 2026. The Company proposes to distribute cash dividends of NT\$135,762,000, equivalent to NT\$1.87 per share, and additionally distribute cash from capital surplus of NT\$23,958,000, equivalent to NT\$0.33 per share. Upon approval by the shareholders' meeting, the Board of Directors will be authorized to set the record date for dividend distribution and proceed with the related arrangements.

3. If there is a significant change in the dividend policy, it should be stated
None.

(4) Effect of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results and earnings per share

Not applicable.

(5) Remuneration for employees, directors and supervisors

1. The percentage or range of remuneration for employees, directors and supervisors as set out in the Articles of Association

The Company shall appropriate not less than 2% of its pre-tax profit before deducting employee compensation and directors' remuneration as employee compensation, and no more than 2% as directors' remuneration. Of the employee compensation mentioned above, at least 80% shall be allocated to frontline employees. However, if the Company has accumulated losses (including adjusted undistributed earnings), such amounts shall first be retained for loss offset.

2. The basis for estimating the amount of compensation for employees, directors and supervisors, the basis for calculating the number of shares for employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

The amount of compensation to employees and directors is estimated in accordance with the Company's Articles of Incorporation and the "Regulations Governing the Remuneration of Directors" and is calculated based on past experience and the amount that may be paid in the future. Any difference between the actual distribution amount and the estimated amount is accounted for as a change in accounting estimate and recorded as profit or loss in the following year.

3. The Board of Directors approved the distribution of remuneration

- (1) The amount of employees' compensation and directors' and supervisors' compensation distributed in cash or stock. If the amount differs from the estimated amount of recognized expenses, the amount of the difference, the reason for the difference and the treatment of the difference should be disclosed.

Unit: NT\$; shares

Date of approval by the Board of Directors	Employee's Compensation				Directors' and Supervisors' Compensation	Whether there is a difference between the amount estimated in the year of expense recognition		
	Cash Amount	Stocks	Shares	Total	Cash Amount	Difference	Reason	Handling situations
2026.03.06	17,058,724	0	0	17,058,724	7,182,621	No difference	Not applicable	Not applicable

- (2) The amount of employee compensation distributed in stock and its proportion to the aggregate of net income after tax and total employee compensation in the individual or individual financial statements for the period.

None.

4. The actual distribution of compensation to employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares), the difference between the distribution and the recognition of compensation to employees, directors and supervisors, and the amount of the difference, the reasons for the difference and the handling of the situation.

Unit: NT\$; shares

Employee's Compensation				Directors' and Supervisors' Compensation	Whether there is a difference between the amount estimated in the year of expense recognition		
Cash Amount	Stocks	Shares	Total	Cash Amount	Difference	Reason	Handling situations
19,904,614	0	0	19,904,614	8,380,889	No difference	Not applicable	Not applicable

(6) Buyback of the Company's Shares

E. Status of the Company's Share Buyback (Completed Cases)

April 1, 2026

Buyback Times	First time
Purpose of Buying Back	Transfer of shares to employees
Buyback Period	April 21, 2020 to May 26, 2020
Buyback Interval Price	NTD 19.00 to NTD 46.05
Type and Number of Shares Bought Back	Common shares 524,000 shares
Amount of shares bought back	NT\$15,674,348
Number of repurchases made as a percentage of the number of scheduled repurchases (%)	52.4%
Number of shares cancelled and transferred	Common shares 524,000 shares
Cumulative number of shares held by the Company	-
The cumulative number of shares held by the Company represents Total ratio of issued shares (%)	-

F. Status of the Company's Share Buyback (Ongoing Cases)

None.

2. Corporate Bonds:

None.

3. Preferred Shares:

None.

4. Global Depositary Receipts:

None.

5. Employee Stock Options:

None.

6. Status of New Shares Issuance in Connection with Mergers and Acquisitions:

None.

7. Financing Plans and Implementation:

As of the quarter ended the publication date of the annual report, the Company had not issued or private placement of marketable securities to obtain funds and had no plans to use such funds.

IV. Operational Highlights

1. Business Activities

(1) Business Scope

A. The main contents of the company's business

- a. Ceramics and ceramic products manufacturing industry
- b. Ceramic glassware wholesale industry
- c. Kitchen, bathroom equipment installation engineering industry
- d. Waterware material wholesale industry
- e. Wholesale of furniture, bedding, kitchen appliances, and furnishings
- f. Retailing of furniture, bedding, kitchenware and furnishings
- g. Building Materials Retail
- h. Copper rolling, wire drawing and extrusion industry
- i. Building materials wholesale industry

B. Operating weight

Unit: NT\$ thousands

Annual Product Items	2024		2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Porcelain	1,257,491	45.06	1,187,430	45.35
Discharge Type	576,393	20.66	564,171	21.55
Electronic Automation	323,867	11.61	319,727	12.21
Bathroom Type	63,287	2.27	157,810	6.03
Other Categories	569,287	20.40	56,541	2.16
Total	2,790,325	100.00	332,616	12.70

C. Current products (services) of the company

The company's main products are basins, toilets, water supply appliances, bathtubs, bath cabinets, and all kinds of bathroom peripherals and accessories, as well as providing bathroom equipment repair services.

D. New products (services) planned to be developed

The Company is a professional manufacturer of porcelain, faucets and bathtubs, with a diversified and complete product line, and expects to develop new products in the future as follows.

a. Short-term plans

In response to the increasing shortage of water resources and the requirements of water conservation regulations, the Company has focused on the redesign and development of the toilet water circuit and continuously revised its online products so that they can meet the regulations of the Gold Level Water Conservation Label. In order to

enhance product differentiation, we have (A) introduced ozone technology into our products to create an antibacterial and deodorizing bathroom environment by making use of the characteristics of ozone; (B) developed micro bubble function products to clean the skin deeply through micro bubbles smaller than capillary pores in the water, bringing users a different added value and experience; (C) introduced smart ion sensor technology, which is different from the general infrared (D) computer toilet seat series products and in the bathroom space, the use of plastic parts and accessories (hand-held shower, handrails ... etc.), gradually to the antibacterial certification application planning; product differentiation strategy, the introduction of more technology to enhance the added value of the product, through simple installation and use, fashionable and simple design, combined with the green and green technology. Through simpler installation and use, fashionable and simple design, combining the market trend of green energy, environmental protection and silver hair, and catering to the use habits of the consumer public, the product features are more layered and humane temperature. The projects currently under development cover the following

- Water-saving rimless one-piece and two-piece toilets
- Toilet items that meet the needs of the construction site market
- Urinal development of the characteristic shape
- A variety of different characteristics of the faucet series
- Public Health Products Combining Ozone Function
- Bathroom products that meet the needs of elders
- Lead-free faucet product development
- Overall bathroom space storage, product design and planning
- Bathroom & Cabinet Products
- Long-lasting germicidal bath products

b. Medium and long term plans

Using our existing process technology and experience, we will develop other bathroom-related products for other applications, and the products we plan to develop include

- Green energy products for energy saving and environmental protection
- Strengthen the silver hair family and electronic bathing equipment, and develop intelligent health care related products
- Deepening Caesar Technology's bath and health management aspirations related products
- High-end products for the middle and high-end market

(2) Industry Overview

A. Industry Status and Development

Domestic Market:

In 2025, influenced by the Central Bank's credit control policies and stricter bank lending criteria, Taiwan's overall national building ownership transfer volume experienced a significant pullback. Total transactions for 2025 reached 261,308 units, representing a 25.4% decline compared to 2024. This performance marks a recent record low for the real estate market.

Looking Ahead to 2026, the real estate market is expected to shift toward essential housing (owner-occupier) demand and old house renovations in 2026. While challenges such as government policies and rising labor costs persist, the market is poised to become more resilient as consumers place greater emphasis on living quality.

CAESAR Sanitary Ware will continue to launch diverse product series to meet the evolving needs of our customers and create momentum for sustainable business growth.

Year	Transfer Registration					
	Total	Buy and Sell	Auction	Inheritance	Gift	Other
	Number of buildings					
2021	501,807	348,194	4,248	62,850	44,666	41,489
2022	481,959	318,101	4,183	70,382	49,805	39,488
2023	488,053	306,971	3,539	77,012	51,919	48,612
2024	541,498	350,525	3,703	75,975	54,058	57,237
2025	450,983	261,308	3,228	78,324	52,722	55,401
Source: Ministry of the Interior Monthly Statistical Report						

Year	Construction License, User License and Start-up Profile					
	License to build license		License to use		Start-up license	
	Number of pieces	Main floor Surface area	Number of pieces	Main floor Surface area	Number of pieces	Main floor Surface area
2021	26,089	43,425	22,484	28,005	17,077	30,499
2022	23,257	45,827	21,146	28,713	16,054	34,786
2023	18,542	37,442	20,280	31,956	15,232	32,568
2024	19,523	39,943	19,251	33,890	14,995	32,629
2025	17,919	32,974	17,875	34,352	15,086	29,696
Source: National Land Management Agency						

International Market:

In 2025, the global average inflation rate saw a further decline of 0.9%, dropping from 5.8% in 2024 to 4.9%. While inflationary pressures continued to ease, data from the IMF and World Bank indicate that global economic growth slowed slightly from 3.3% in 2024 to 3.2%. Overall recovery momentum remains conservative and has yet to return to pre-pandemic norms.

Geopolitical Tensions and Regional Challenges

- **U.S.-China Trade Relations:** Trade friction between the U.S. and China intensified in 2025. The U.S. further pushed "de-China" supply chain policies and implemented reciprocal tariffs on multiple countries, accelerating the restructuring of global trade patterns.
- **China's Economic Headwinds:** China's economy continued to be hampered by a long-term real estate bubble. Issues such as oversupply, debt crises, and low consumer confidence persisted, leading to a stagnant property market. Coupled with heavy corporate inventory pressure, deflationary risks remained, weighing down overall economic growth.
- **Global Risks:** The prolonged Russia-Ukraine war and the unresolved Red Sea crisis heightened geopolitical risks. These factors impacted global supply chain and trade security, keeping downside risks to the global economic recovery high.

Vietnam: Robust Growth and Structural Reform

In contrast, Vietnam continued to benefit from the "supply chain shift" dividend and strong manufacturing growth. Full-year GDP growth in 2025 reached 8.02%, the second-highest in history (behind 8.12% in 2022), demonstrating resilient economic momentum.

- **Real Estate & Infrastructure:** Following the full implementation of the Housing Law and Land Law in 2023, market transparency has improved significantly. The government's active promotion of large-scale infrastructure – including high-speed rail, expressways, and international airports – has driven sustained demand in Ho Chi Minh City and its satellite cities.
- **Administrative Restructuring:** On April 12, 2025, the National Assembly of Vietnam officially passed the "Administrative Restructuring Plan," consolidating 63 provincial-level units into 34 (comprising 6 central-governed cities and 28 provinces). This landmark reform lays the institutional foundation for regional integration and governance efficiency.

Our Strategic Position: Following these administrative adjustments, several previously stalled projects have accelerated. Market expectations point toward a steady recovery in the Vietnamese real estate market. Leveraging our comprehensive market channels, we remain highly optimistic about the growth potential of local property demand.

CAESAR's Competitive Advantages in Vietnam:

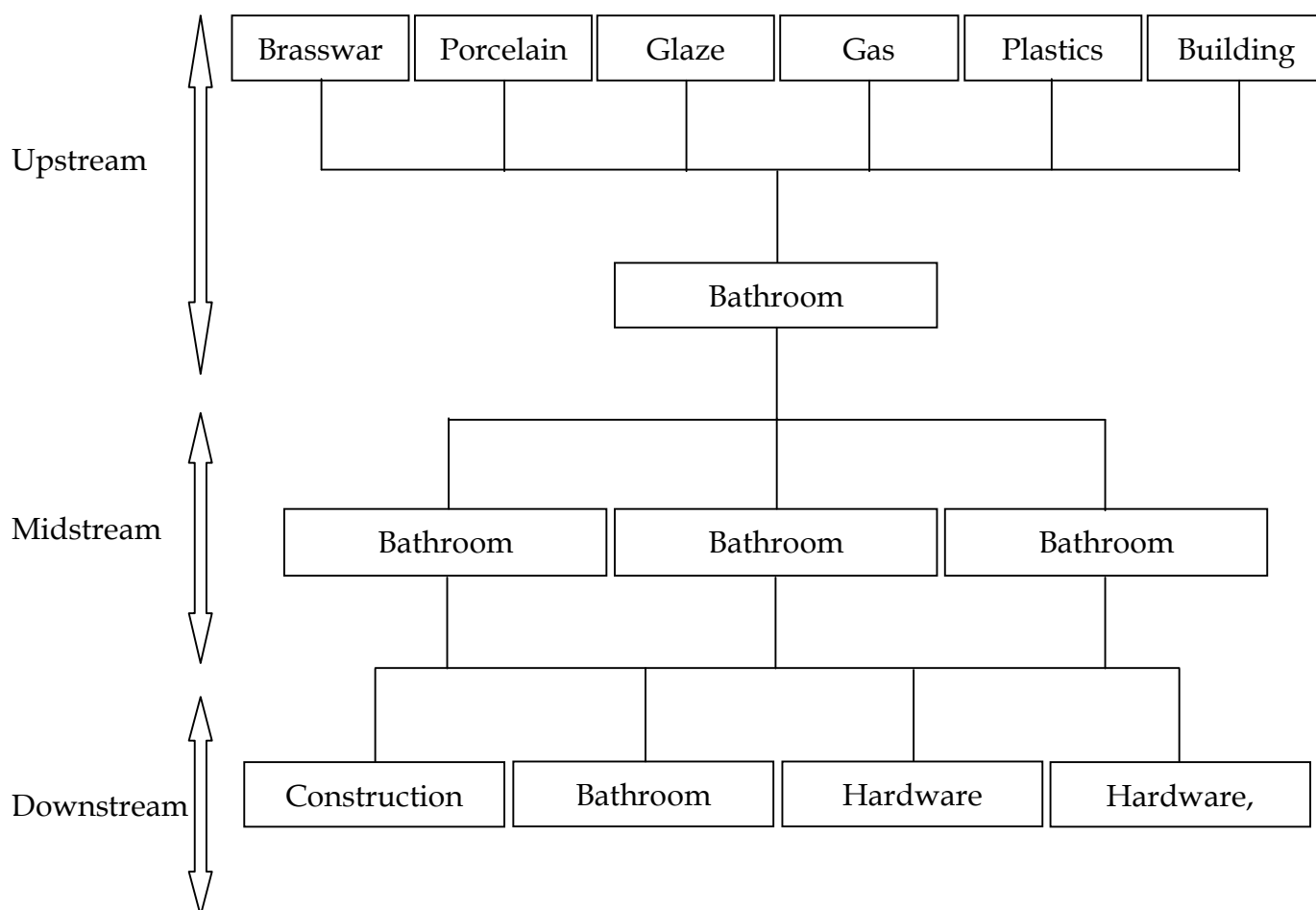
Leveraging high-temperature fire-resistant ceramics (FFC) production technology, local manufacturing cost advantages, and the integration of cabinet products, Caesar product line will be more complete and further consolidate the long-term development foundation in the Vietnamese market.

B. Upstream, midstream and downstream industry linkages

The Company is a manufacturer and seller of sanitary equipment such as basins, toilets, water supply devices, bathtubs and other peripheral products. The relationship between the industry, from the supply of raw materials, production and assembly to the sale of finished products, midstream and downstream, is described as follows.

- a. Upstream: Suppliers of raw materials such as copper, porcelain clay, glaze, gas, etc., faucets and plastic products for finished sanitary equipment, as well as manufacturers who forge, glaze and shape the above raw materials. (i.e. the business of Vietnam Caesar Bath Co.
- b. Midstream: Sales of bathroom equipment and its peripheral products under its own brand name marketers, distributors and dealers. (i.e., the Company's business)
- c. Downstream: the construction industry, hardware and sanitary building materials companies and the end-consumer public that actually use sanitary equipment and its peripheral products.

The following is a summary of the upstream, midstream and downstream linkages of the bathroom equipment industry to which the Company belongs.



C. Various trends of product development

The development trend of the bathroom industry has gradually expanded from a simple toilet area to a home living space, and how to plan a comfortable and pleasant sanitary environment from an aesthetic base is the goal of research and development that major bathroom brands are competing for. The creation of thoughtful products to strengthen the connection and dependence of their customers will further enhance the brand.

Today's bathroom products are mostly integrated with electronic technology, the overall industry development has gradually transformed from the traditional industry to the technology industry, and towards the following trends.

a. Bathroom space furnishing

Traditional designers focus on living areas such as living rooms and bedrooms, but Caesar gradually promotes the planning and design of the whole bathroom. The value of furnishing the bathroom space is to combine aesthetics and functionality under the limited space planning. Through the clever combination of mirror cabinet, main cabinet and tall cabinet, the fashionable design and simple style meet the flexible needs of each home space and create more storage possibilities.

b. Silver hair family bathroom products

In response to the aging population, how to design and plan the bathroom space in order to provide silver-haired people and caregivers with more labor-saving, comfortable and safe bathroom space, and through the perspective of universal design, to design products for all ages to meet the needs of every user in the home. Caesar has noticed this trend of population development and has designed and planned the silver-haired toilet products, including the raised digital toilet and the raised general toilet, so that silver-haired people can easily get up after using the toilet; and has also integrated the planning of the silver-haired toilet series products to take care of the needs of silver-haired people in using the toilet.

c. Seeking strategic cooperation to develop intelligent bathing products

Through strategic cooperation, bathroom products can break out of the traditional mold. Combining the advantages of Taiwan's high-tech industry to create a safe and comfortable bathroom space, in the fall detection, to do a warning and early warning, the traditional bathroom manufacturers, technology has its limitations. In addition to the continuous improvement in water conservation and

environmental protection, appearance and function, the use of big data and information technology is a step forward in intelligent products, through data to know the daily life information, such as use habits, and even integration of health management-related elements into product development, through the Internet of Things management and connection, so that the product is closer to human nature, and closer to the consumer connection.

d. Systematic management of production lines

The barcode system is integrated into the production of product histories, linking the first line of sales with the back office of the factory, and integrating anti-counterfeiting, identification and after-sales service. Combined with the electronic system, we can improve the efficiency and quality of service and provide an extended warranty mechanism. We also provide barcodes on the product and on the outer box to gradually improve its electronic system.

D. Competition situation

According to data from the International Trade Administration, Ministry of Economic Affairs, the total import value of sanitary ceramics (HS CODE 6910) decreased by 0.6% in 2025 compared to 2024, reaching USD 99,878,354. Among these imports, mainland China accounted for 49% of the total, followed by Vietnam at 27% and Japan at 12%. The combined imports from these three regions accounted for 88% of the total ceramic imports.

In 2025, the total import value of faucets (HS CODE 84818010) increased by 5% compared to 2024, amounting to USD 69,619,370. Among these imports, mainland China accounted for 46% of the total, followed by Vietnam at 22% and Japan at 9%. The combined imports from these three regions accounted for 77% of the faucet imports.

Taiwan's sanitary equipment industry relies heavily on imports, mainly due to high difficulty in manufacturing sanitary ceramics and the challenges in controlling manufacturing yields. Additionally, the substantial capital required for establishing manufacturing facilities contributes to the limited number of companies capable of producing sanitary ceramics in Taiwan. Caesar owns a factory in Vietnam covering nearly 15 hectares, which includes ceramic, faucet, bathtub, and cabinet production facilities. The company invests hundreds of millions annually in equipment and technology to maintain its competitive edge.

(3) Technology and R&D Overview

For the most recent year and up to the printing date of the annual report, research and development expenses and technologies or products successfully developed.

Unit: NT\$ thousands

Items \ Year	2025	As of March 31, 2026
Research and development expenses	12,291	2,143
Development of successful technologies or products	1. Mid-to-high-end smart toilets 2. Multi rough-in (pipe)connected toilets 3. toilet/washbasin with permanent built-in antibacterial layer 4. Multicolor bathroom/mirror cabinets 5. Plasma series countertop products	1. Mid-to-high-end smart toilet seats 2. Multi rough-in (pipe) connected toilets 3. Multicolor ceramic matching washbasin and faucets

Note: The financial information as of March 31, 2026 has not been reviewed by the accountants.

(4) Long- and short-term business development plans

A. Short-term business development plan

Group's focused on developing new channels, promoting functional products, brand marketing integrated with sales data.

- a. Caesar continues to strengthen existing channels, enhance sales skills, and develop new channels for sales growth. For example, Caesar has actively developed construction projects and started online stores to diversify revenue sources and lower operational risk.
- b. Promote products: Launch antibacterial product lines to make the bathroom cleaner. Develop more sizes for bathroom cabinets to meet customers' storage demand. Develop comfort high toilet, seating SPA shower chair, open door bathtub for the elderly. Caesar continues to gain brand recognition and a good reputation.
- c. Branding and marketing: Combined with sales data, develop precise advertising strategies and new types of brand communication filed, cooperate with customer journey map, and understand customer needs. Establish a data-driven decision-making platform to assist the management team in making a faster and more accurate business decision.

B. Long-term Business Development Plan

CAESAR focuses on developing the Asian market and aims to become one of the top brands in Asia, with investment in technologies and design with simplicity to offer affordable products to our customers.

- a. Expanding into the ASEAN market: CAESAR continues to strengthen our developments in Vietnam to increase market share and take advantage of the ASEAN Zero Tariff Agreement to establish sales networks in Malaysia, the Philippines, Cambodia, and Indonesia.
- b. Expanding into the China market: Alliance with Taiwan-invested enterprises in mainland China to open the China market and to infuse brand awareness of CAESAR in China.
- c. Develop the OEM/ODM market: CAESAR receives orders from renowned distributors in the United States for new product lines, expecting turnover to increase steadily.
- d. A more fashionable and minimalist brand voice: Caesar continues to inject new vitality into the brand voice, renovate the CIS corporate identity system, and furnish a new brand image with fashion and minimalist in mind.
- e. Vietnam cabinet market: Design and produce cabinets tailored for the Vietnam market and open stores and establish sales networks to create business opportunities. With a systematic product development plan to serve the market, the cabinet business will soon become a significant business unit.

2. Market and Sales Overview

(1) Market Analysis

A. Sales (provision) of major goods (services) by region

Unit: NT\$ thousands

Sales Area \ Annual	2024		2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Taiwan	2,117,274	75.88	1,899,433	72.54
Vietnam	671,960	24.08	718,862	27.46
Others	1,091	0.04	0	0.00
Total	2,790,325	100.00	2,618,295	100.00

B. Market share

Our company is marketing under the brand name of CAESAR, which focuses on porcelain toilets, basins, faucets, shower cabinets and bathtubs, and is not yet available in the market as there are no reliable commercial or academic institutions or government agencies that can provide reliable market size statistics to show the market share of our company in the bathroom equipment market. The Company is the third largest bathroom equipment manufacturer and seller in Taiwan, with a market share of about 20% in Taiwan, and the third largest brand in Vietnam, with an estimated market share of 20%.

C. Future market supply and demand and growth

In recent years, the family and demographic structure of Taiwan has gradually changed from large families to small families, reaching 8.73 million households in 2018, 8.83 million in 2019, and 8.93 million in 2020. The population will drop to 15.02~17.08 million in 2070, which is about 6~70% of the population in 2020. Therefore, with the change of population age structure, the demand for barrier-free and universally designed bathrooms from the middle and upper age groups is expected to increase gradually, and Caesar will make the necessary product combinations in advance according to the characteristics of the industry. In addition to Taiwan, Caesar also focuses its development on Asia, which accounts for over 60% of the world's population and is also the region with the fastest economic growth. Although the epidemic was well controlled, the tourism and physical service industries were still greatly affected. It is expected that after the gradual liberalization of international tourism, the Vietnamese market will continue to grow due to the population dividend. Vietnam's economy grew at a rate of 2.91% in 2020, slowing down to the slowest pace in 30 years. Foreign investors were unable to enter Vietnam, resulting in a slight rebound in real estate prices. Since Caesar's production base is in Vietnam

and it is one of the top three brands in Vietnam in terms of sales volume, the growth of Vietnam market in the post-epidemic era will be an important driving force for Caesar's sustainable growth.

D. Competitive Niche

- a. Competitive product cost: Bathroom equipment is a labor-intensive industry, and our production base is located in Vietnam, enjoying relatively low production cost, with automatic production line equipment to improve the yield rate, supplemented by the ASEAN tariff-free base, making the product cost relatively competitive.
- b. Copper and Bath Cabinet Plant Capacity: With the expansion of copper gravity casting production, we can meet the demand of new construction and public works: With the bath cabinet plant, Caesar becomes one of the few integrated sanitary ware companies in Taiwan with a complete production base.
- c. High self-production rate and stable quality: We have self-production lines for major products such as sanitary ware, faucets, bathtubs, and bath cabinets, which allow us to bring out the combined effect of matching product design and strict quality control.
- d. Continued investment in core technology: Caesar FFC porcelain production technology is the best in Asia, and we continue to maintain our competitive edge with innovative technology.
- e. Focused online marketing: We flexibly adjust our effective online marketing strategy to match online advertising and brand positioning.
- f. Perfect pre-sales and after-sales service system: the first to provide pre-sales service with full product configuration, delivery to the house and porcelain 10-year warranty, and year-round after-sales service by bathroom butlers.
- g. Taiwan's 15,000-square-meter distribution center speeds up logistics operations while reducing the chance of out-of-stocks and providing effective distribution services throughout the province.
- h. Robust financial structure: The Company has good profitability, low debt ratio, stable cash flow and is able to cope with various crises.

E. Favorable and unfavorable factors of development prospect and countermeasures

a. Favorable factors

- i. Vietnam production base, Taiwan and Vietnam complement each other, with competitive advantage.

With a total population of 98 million, the average age of Vietnam is only about 32 years old. Vietnam has a demographic dividend and the labor force accounts for about 70% of the total population, labor

costs are relatively low compared to Taiwan and labor costs are two-thirds of those in China, the "world factory".

ii. ASEAN Tariff Advantage

In 1996, our company chose Vietnam as our production base with an eye on the ASEAN market. Since 2015, the whole region has been exempted from tariffs, which is favorable to the development of the market of ASEAN countries, and at the same time, there are still tariff barriers in some of the bathroom items exported from China to Vietnam, which is favorable to us and has a relative competitive advantage over competitors from other countries.

iii. Four major business plants to facilitate the expansion of OEM business

Since the completion of the Vietnam plant expansion, the Company has four major manufacturing businesses: porcelain, faucets, cabinets and bathtubs. In addition to supplying Caesar's brand development in Asia, the Company has the opportunity to expand its international OEM business and provide one-stop services. The porcelain business has been receiving orders from a well-known distributor in the U.S. since 2020 and has the opportunity to further expand into other projects in the future to diversify its business risks.

iv. Proactive management team

Compared with our competitors, our management team is relatively young, excellent, active and energetic, and has a precise grasp of the trending products, which enables us to close the gap with our strong competitors year by year. In Vietnam and Taiwan markets, we have made significant achievements.

v. Technical Advantages

The Company continues to invest in core technologies, in addition to the European porcelain Fine Fireclay technology and green energy hydropower technology, and will further invest in anti-bacterial technology for application in the kitchen and bathroom space, which is expected to enhance the overall brand competitiveness.

vi. Private Label Advantage

After 40 years of development, CAESAR is now the second most popular brand in Taiwan and one of the top three ideal brands for designers and the top three brands in Vietnam, competing with international manufacturers. Although there is still a gap between the company's scale of operation and that of the major international manufacturers, the company's strong local operation ability and

flexible strategy have brought the market share of sanitary equipment in Taiwan and Vietnam closer.

b. Adverse factors and countermeasures

- i. Professionals are not easy to find, and the training time is long.

Countermeasures:

- (i) We provide summer internship opportunities for interested university students to work in our head office or factories to nurture industrial talents.
- (ii) We offer better salaries and benefits than our competitors, a friendly working environment and a comprehensive welfare system to attract professional talents.
- (iii) We have planned a comprehensive professional skills training and internal and external education training for our employees to enhance their professionalism and ensure the accumulation of professional skills and experience.

- ii. The quality of labor is slightly poor; we must eliminate the weak and keep the strong.

Countermeasures:

- (i) We continue to introduce new automated equipment to reduce the number of workers in the factory to stabilize production yields.
- (ii) Continuously promote six standard deviations to improve management efficiency and effectiveness.
- (iii) Increase employee salaries, benefits and performance bonuses, and enhance on-the-job training to improve staff quality and productivity.

- iii. The quality of local raw materials supply in Vietnam is unstable, so we have to rely on imports.

Countermeasures:

- (i) Some of the raw materials are in the nature of temporary goods, and prices and exchange rates fluctuate greatly. Therefore, the parent company is centrally responsible for the procurement of key raw materials to control the price and exchange rate risks.
- (ii) Develop local mineral sources in Vietnam to assist manufacturers to improve washing technology and reduce the risk of imported raw material supply chain.

(2) Important applications and production process of major products

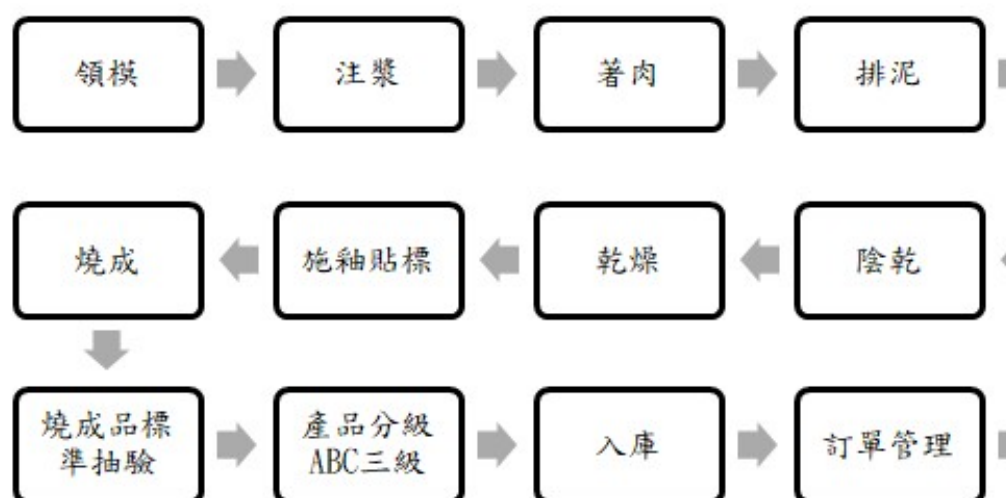
A. Important applications of the main products

Main Products	Important Uses
Porcelain	It is a necessity for daily use, such as toilets, water tanks, basins, porcelain feet, squatting toilets, buckets and ceramic accessories.
Water	It is used in general bathroom water supply apparatus, including basin faucets, showerheads, shower heads and hardware fittings, etc.
Bathtub	As a necessity for daily bathing, we develop bathtubs of different materials, functions and designs according to market demand, including acrylic bathtubs, massage bathtubs, classical freestanding bathtubs and shower columns, etc.
Other (Electronic Automation)	It is the spare parts for daily bathroom equipment, such as automatic toilet flush, automatic toilet flush, automatic water supply faucet, automatic soap dispenser, automatic hand dryer, computerized toilet cover, etc.

B. Production process of major products

The Company mainly purchases various sanitary products from Vietnam Caesar Sanitary Ware Co.

a. Porcelain



b. Water

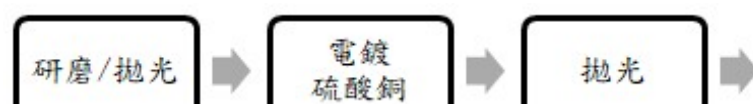
Casting Process



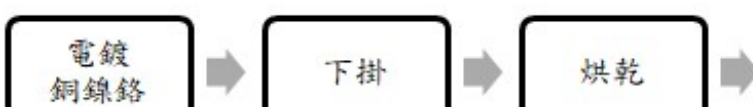
Processes



Polishing process



Electroplating Process



Assembly and quality inspection process



c. Bathtub



(3) Supply of major raw materials

The Company mainly purchases various finished sanitary products from Vietnam Caesar Sanitary Ware Company Limited, and the current supply of major raw materials for each of its finished sanitary products is as follows.

Raw materials	Supply Sources	Supply Status
Washed clay	Manufacturers from China and Thailand	Stable supply
Raw mineral clay	Manufacturers from Vietnam	Stable supply
Washed kaolin	Manufacturers from Vietnam	Stable supply
Nagashi	Manufacturers from India and Vietnam	Stable supply

Roasted Powder	Manufacturers from Germany and Italy	Stable supply
Copper Bar and Ingot	Manufacturers from Taiwan、Vietnam and Korea	Stable supply
65 recycled copper	Manufacturers from Vietnam	Stable supply
Acrylic sheet	Manufacturers from China	Stable supply

- (4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease

A. Information of major suppliers in the last two years

Unit: NT\$ thousands

	2024				2025			
Item	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer
No such case.					No such case.			

Note: The financial information as of March 31, 2026 has not been reviewed by the accountants.

B. Major customers in the last two years

Unit: NT\$ thousands

	2024				2025			
Item	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year [%].	Relationship with the Issuer
1	Customer A	521,459	18.69	None	Customer A	487,244	18.61	None
	Others	2,268,866	81.31		Others	2,131,051	81.39	
	Net Sales	2,790,325	100.00		Net Sales	2,618,295	100.00	

Note: The financial information as of March 31, 2026 has not been reviewed by the accountants.

The reason for the change: The Company primarily conducts sales through distributors. Customer A is a distributor of the Company in the Greater Taipei area, covering the main residential areas of the population in Taiwan. Therefore, the sales amount is relatively high. The sales proportion over the past two years has remained largely the same, with no significant changes occurring.

3. The Number, Average Years of Service, Average Age and Educational Attainment of the Employees of the Company in the Last Two Years and by the Print Date of the Annual Report

March 31st, 2026

Year		2024	2025	As of March 31st, 2026
The number of employees	Sales	269	307	308
	Management	165	161	165
	Research and Development	14	10	9
	Production Line	785	743	683
	Total	1,233	1,221	1,165
Average age		39.5	40.1	42.0
Average years of service		7.3	7.3	7.9
Education distribution ratio (%)	Ph.D.	0.08	0.08	0.09
	Master	1.30	0.98	1.12
	College	23.93	17.85	19.14
	High School	15.65	6.55	6.87
	Below High School	59.04	74.53	72.79

4. Environmental Protection Expenditure

For the most recent year and up to the date of publication of the annual report, the losses suffered as a result of pollution of the environment (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, the date of sanction, the sanction number, the provisions of the violation, the content of the violation, and the content of the sanction should be listed), and the estimated amount of current and potential future losses and measures to deal with them should be disclosed, and if the amount cannot be reasonably estimated, the facts that cannot be reasonably estimated should be stated.

No such case.

5. Labor Relations

- (1) Employee welfare measures, further education, training and retirement systems and their implementation, as well as agreements between employers and employees and measures to protect the rights and interests of employees

A. Employee Benefit Measures

In order to enhance the welfare of employees, the Company has established an employee welfare committee in accordance with the law to make regular contributions to the welfare fund, and the main points of the Company's welfare measures are as follows.

- a. Statutory welfare measures: universal health insurance, labor insurance, and contribution to labor pensions.
- b. The company specially provides: employee bonus, performance bonus, employee education and training program, and group accident insurance.
- c. The Employee Welfare Committee provides: three festivals gift, birthday gift, marriage allowance, and maternity allowance, first home purchase allowance, funeral allowance, injury and illness compensation, children's education scholarship, annual staff trip, and monthly birthday celebration party.

Vietnam Caesar Sanitary Wares Joint Stock Co. (a subsidiary) has established a labor union organization in accordance with the law and has paid the union dues on a regular basis, and has implemented the following welfare measures.

- a. Statutory benefit measures: medical insurance, social insurance, unemployment insurance
- b. The company provides: performance bonuses, employee education and training programs, and group accident insurance.
- c. The labor union provides: three festivals gift, wedding and funeral subsidy, injury and sickness compensation, maternity allowance, and various other convenient and preferential activities, etc.

B. Further training and training situation

The Company holds internal training courses from time to time to cultivate employees' professional knowledge and skills in accordance with the needs of each department and their individual functions.

When new employees report to work, the management department selects the appropriate time and considers giving centralized or individual lectures according to the actual number of employees. The total number of employees participating in the training in 2025 was 277 people, and the total hours of training was 1,244 men/ hours.

C. Retirement System

In accordance with the Labor Pension Act, the Company contributes 6% of monthly wages to a personal pension account established by the Bureau of Labor Insurance. The total amount of pensions withdrawn in 2025 was NT\$7,865,000.

The Company's retirement system is governed by the Labor Standards and Labor Pension Act, and the relevant regulations are as follows.

- a. Employees who meet one of the following conditions may apply for voluntary retirement.
 - i. Employees who have served for more than 15 years or more and are at least 55 years old.
 - ii. Employees who have completed 25 years of service or more.
 - iii. Employees who have served for 10 years or more and are over 60 years old.
- b. Employees shall not be compulsorily retired unless one of the following circumstances applies.
 - i. Employees who are over 65 years old.
 - ii. Employees who are physically or mentally disabled and unable to perform their duties effectively.

The retirement age specified in item 1 of the preceding paragraph may be postponed through mutual agreement between the employer and the worker. A business entity may request the central competent authority to adjust the retirement age prescribed in item 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength, or otherwise of a special nature; provided, however, that the retirement age shall not be reduced below 55.

D. Agreements between labor and management and various measures to protect employees' rights and interests

The Company holds regular labor-management meetings to provide a channel of communication between employees and employers. Since its establishment, all regulations and measures regarding labor relations have been handled in accordance with relevant laws and regulations, and based on the management philosophy of coexistence and mutual prosperity and clear management policies, we attach great importance to employees' opinions and provide various channels for responding to opinions to maintain good and harmonious labor relations.

E. Workplace diversity and gender equality

a. Gender Equality and Diversity

The Company is committed to providing employees with a dignified and safe working environment. We ensure fairness in hiring practices, compensation, and opportunities for advancement, regardless of race, gender, religious beliefs, age, political orientation, or any other condition protected by applicable laws, to prevent discrimination, harassment, or unequal treatment.

We value diversity among our employees and employ individuals with disabilities in compliance with the provisions of the Disability Rights Protection Act. Additionally, we welcome applications from Indigenous peoples, and if employed, we will respect their cultural customs and prioritize their rights in the workplace.

b. Employee Ethnicity Index (Taiwan Region)

Category	Percentage of Total Employees (%)	Percentage in Management Positions (%)
R.O.C. nationality	100	100
Foreign nationality	0	0
Aboriginal people	0	0

c. Female Diversity Index (Taiwan Region)

Index	Percentage (%)
Percentage of Female Employees in Total (%)	46.46
Percentage of Female Managers (%)	27.87
Percentage of Female Frontline Managers (%)	30.36
Percentage of Female Senior Executives (CEO ≤ Two Levels) (%)	20.00

d. Other Diversity Metrics

Category		Percentage of Full-Time Equivalent (FTE) Employees(%)
People with disabilities		1.01
All Employees	Age Grouping: <30 years old	8.08
	Age Grouping: 30-50 years old	79.29
	Age Grouping: >50 years old	12.63
	Total	100.00

e. Pay Equality

Our company has established a “Compensation Committee” to provide employees with competitive salaries. Through a transparent and equitable salary policy, we ensure that the company's operational performance is reflected in employee compensation.

For frontline specialists within the same job category, all employees receive equal treatment. Additionally, for individuals with relevant expertise and work experience, their compensation is determined based on their qualifications, expertise, and certifications, without any differentiation based on gender or ethnicity.

- (2) For the most recent year and up to the printing date of the annual report, the losses suffered as a result of labor disputes (including labor inspection results in violation of the Labor Standards Law, the date of the sanction, the sanction number, the provisions of the law violated, the content of the law violated, and the content of the sanction), and the estimated amount of current and potential future losses and measures to address them, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated

No such case.

6. Information Security Management

- (1) Describe the information security risk management framework, information security policy, specific management plan, and resources invested in information security management.

A. Information security risk management framework

The information security department of the Company is responsible for the information security policy, planning and execution of information security operations. The Audit Office of the Company regularly checks and evaluates the effective operation of the information security, and if deficiencies are found in the implementation of the information security, the auditor is required to propose an improvement plan in order to strengthen the internal information security of the Company and to minimize the risk.

B. Information Security Policy

- a. Establish an information security risk management mechanism, and regularly review the effectiveness of information security risk management in response to changes in the internal and external information security situation.
- b. The "ISO SAP-08 Office Management Measures" was established to regulate the use and management of personal computers, the use of software, the use of portable storage media, the use of the Internet, and the use of mail systems.
- c. Through the internal control and audit unit, various audits are carried out to ensure that the information security norms continue to be effective and achieve information security prevention and management.
- d. Regularly implement information and communication security education and training, and advocate information security policies and related implementation regulations.

C. Specific Management Plan

a. Cybersecurity

- i. Strengthen external network firewalls and network control to prevent the spread of computer viruses.
- ii. Install anti-virus software.

b. Device Safety

- i. Monitoring of changes in personal computer software and hardware.
- ii. Disable USB storage devices to prevent malicious programs from invading the Company.

c. Application Security

- i. Use legal and licensed software. Installing unauthorized applications is strictly prohibited.
- ii. Regularly update operating systems and software to prevent malicious software from exploiting system or software vulnerabilities for attacks.

d. Data Security

- i. Windows Active Directory permission management.
- ii. Folder permission management.

e. Education, Training, and Advocacy

- i. Conduct cybersecurity education and training to enhance employees' awareness of information security.
- ii. Strengthen employees' awareness of email social engineering attacks and implement phishing email defense detection.

(2) For the most recent year and up to the printing date of the annual report, the losses suffered as a result of major information security incidents, and the estimated amount of current and potential future losses and measures to address them, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated

No such case.

7. Important Contracts

Nature of Contracts	Person(s) involved	Deed of Commencement Date	Main Content	Restricted Terms
Credit Facility	Shanghai Commercial Savings Bank	2025.05.07~2026.05.07	Short-term Loans	None
Credit Facility	HUA NAN Commercial Bank	2025.05.14~2026.05.14	Short-term Loans Short-term guaranteed loans	None
Credit Facility	Taipei Fubon Bank	2025.08.29~2026.08.29	Short-term Loans	None
Credit Facility	Chinatrust Commercial Bank	2025.08.31~2026.08.31	Short-term guaranteed loans	None
Credit Facility	First Commercial Bank	2025.04.17~2026.04.17	Short-term Loans	None
Credit Facility	Bank of Taiwan	2025.07.30~2026.07.30	Short-term Loans	None
Credit Facility	Chang Hwa Commercial Bank	2025.02.28~2026.02.28	Short-term Loans	None
Credit Facility	Yuanta Bank	2026.01.05~2027.01.05	Short-term Loans	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Conditions

The main reasons for the significant changes in assets, liabilities and equity in the last two years and their effects

Unit: NT\$ thousands

Annual Project	2024	2025	Amount of increase (decrease)	Change ratio (%)
Current assets	1,731,884	1,821,945	90,061	5.20
Property, plant and equipment	875,489	793,571	(81,918)	-9.36
Intangible assets	11,611	9,105	(2,506)	-21.58
Other Assets	229,304	304,725	75,421	32.89
Total Assets	2,848,288	2,929,346	81,058	2.85
Current liabilities	298,358	379,832	81,474	27.31
Non-current liabilities	262,080	257,885	(4,195)	-1.60
Total liabilities	560,438	637,717	77,279	13.79
Equity attributable to owners of the parent company	2,246,408	2,246,696	288	0.01
Share Capital	726,000	726,000	0	0
Capital Fund	283,555	282,857	(698)	-0.25
Retention Surplus	1,430,445	1,518,415	87,970	6.15
Other interests	(193,592)	(280,576)	86,984	44.93
Treasury Stocks	0	0	0	0
Non-controlling interests	41,442	44,933	3,491	8.42
Total equity	2,287,850	2,291,629	3,779	0.17
Reasons for changes of over 20% in the past two years:				
(1) The change in intangible assets was mainly due to the amortization and expiration of intangible assets.				
(2) The change in other assets was mainly due to the addition of investments in financial assets at fair value through other comprehensive income.				
(3) The change in current liabilities was mainly due to the increase in short-term borrowings.				
(4) The change in other equity was mainly attributable to exchange differences arising from the translation of financial statements of foreign operations.				

2. Financial Performance

- (1) Reasons for significant changes in operating income, net operating income and net income before income tax for the last two years

Unit: NT\$ thousands

Annual Project	2024	2025	Amount of increase (decrease)	Change ratio (%)
Operating income	2,790,325	2,618,295	(172,030)	-6.17
Operating Costs	1,800,846	1,654,161	(146,685)	-8.15
Gross Profit	989,479	964,134	(25,345)	-2.56
Operating Expenses	616,955	639,476	22,521	3.65
Other gains and losses, net	0	324,658	(47,866)	-12.85
Operating profit or loss	372,524	29,664	(6,364)	-17.66
Non-operating income and expenses	36,028	354,322	(54,230)	-13.27
Net income before tax	408,552	263,478	(57,631)	-17.95
Net income (loss) for the period	321,109	(87,710)	(119,838)	-373.00
Other comprehensive income or loss for the period (Net after tax)	32,128	175,768	(177,469)	-50.24
Total consolidated profit or loss for the period	353,237	2,618,295	(172,030)	-6.17
Reasons for changes of over 20% in the past two years: A. The change in other comprehensive income for the period was mainly due to exchange differences arising from the translation of financial statements of foreign operations.				

- (2) Expected sales volume and its basis

For the year ended December 31, 2024, the Company did not disclose its financial forecast to the public.

- (3) Possible impact on the Company's future financial operations and plans for response

Not applicable.

3. Analysis of Cash flow

(1) Analysis of recent annual cash flow changes

Unit: NT\$ thousands

Opening Cash Balance	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Effect of exchange rate changes	Excess (shortfall) of cash	Remedies for cash shortage	
					Investment Plan	Financial Plan
251,893	467,278	(272,138)	(69,755)	377,278	Not applicable	Not applicable

Operating activities:

Mainly attributable to cash inflows generated from operating profits.

Investing activities:

The net cash outflow of NT\$130,037 thousands, mainly due to the acquisition of financial assets at fair value through other comprehensive income, financial assets at amortized cost, financial assets at fair value through profit or loss, and purchases of property, plant, and equipment.

Financing activities:

The net cash outflow of NT\$135,101 thousands, mainly due to dividend payments to owners and repayment of long-term borrowings.

(2) Improvement plan for lack of mobility

There is no cash flow shortage.

(3) Cash flow analysis for the coming year

Unit: NT\$ thousands

Opening Cash Balance	Estimated full-year net cash flows from operating activities	Expected full-year net cash flow from investing and financing activities	Estimated remaining (shortfall) cash amount	Remedies for cash shortage	
				Investment Plan	Financial Plan
377,278	294,474	(327,060)	344,692	Not applicable	Not applicable

Operating activities:

Mainly estimated operating profit for 2026, plus depreciation and amortization expenses.

Investing activities:

Mainly estimated capital expenditures for 2026.

Financing activities:

Mainly estimated cash dividend distributions and repayment of short-term borrowings.

4. The Impact of Major Capital Expenditures on Financial Operations

- (1) Use of significant capital expenditures and sources of funds

Unit: NT\$ thousands

Project	Funding Sources	Amount of expenses
Purchase of property, plant and equipment	Working Capital	34,278

- (2) Expected benefits (such as product quality, pollution prevention, cost reduction, etc.)

The expansion of manufacturing capacity at the Vietnam plant is expected to boost revenue from ceramic, sanitary ware, and electronic automation product lines, enhancing market competitiveness in Taiwan, Vietnam, and the broader Southeast Asian region. Additionally, the acquisition of a new office building—scheduled for completion in October 2028—is anticipated to elevate the company's corporate image and brand value, attract top talent, and support future business growth.

5. Recent Annual Investment Policies, the Main Reasons for Profitability or Loss, Improvement Plans, and Investment Plans for the Coming Year

- (1) Latest Annual Reinvestment Policy

The Company's reinvestment policy is based on factors such as expansion of operating scale and reduction of production costs, and seeks appropriate targets for reinvestment. In addition to consolidating the existing core business, the Company expects to explore business opportunities in peripheral markets and enhance profitability.

- (2) The main reasons for profit or loss from investment in the most recent year, and improvement plans

Unit: NT\$ thousands

Transfer Investment Company	End of period original Investment amount	Held at the end of the period Carrying amount	Investment income (loss) recognized in the period	Main reasons for gain or loss	Improvement Plan
Vietnam Caesar Bath Joint Stock Company Limited	665,303	1,303,062	56,034	It is one of the top three local bathroom brands in Vietnam.	None
Kaisheng Sanitary Co., Ltd.	18,360	28,642	7,386	It is the main distribution base of Taoyuan, and had made profits in the past two years.	None
POLARC CO., LTD.	26,401	16,964	(4,954)	It was established as a subsidiary in April of the year 2023, commencing operations in August of the same year, with business steadily increasing	None

- (3) Investment plan for the coming year

The Company has no significant investment plans for the coming year.

6. Analysis and Assessment of Risks

- (1) Effect of interest rate, exchange rate and inflation on the Company's profit and loss and future measures

A. Effect on the Company's profit or loss

Unit: NT\$ thousands

Project \ Annual	2024		2025	
	Amount	Ratio of net income before tax (%)	Amount	Ratio of net income before tax (%)
Interest income	9,315	2.28%	14,438	4.07%
Interest expense	5,105	1.25%	5,087	1.44%
Foreign currency exchange (gain) or loss	15,528	3.80%	7,839	2.21%

B. Future Measures

a. Interest Rate Change

The Company's working capital is still sufficient and its dependence on finance is relatively low, so market interest change is not significant. The Company's finance department will pay close attention to changes in interest rates and maintain good credit relationships with banks to actively seek the best interest rates and reduce the impact of interest rate changes on the Company's profit and loss.

b. Exchange rate changes

The Company's foreign exchange policy is based on the principle of conservatism and prudence, and foreign sales and purchases are quoted in foreign currencies, so that foreign currency revenues and expenses are offset to produce a natural hedging effect. The Company's finance department will pay close attention to the changes in foreign exchange rates and adjust the level of foreign exchange holdings and the timing of conversion in order to reduce the impact of exchange rate changes on the Company's profit and loss.

c. Inflation

In order to reduce this risk, the Company adopts a strategy of decentralizing its purchases to obtain relatively lower costs, and adjusts its selling prices in a timely manner to maintain stable profits. In addition, the Company actively strengthens its corporate management by improving production efficiency, personnel quality and inventory management in order to reduce the impact of inflation on its operations.

- (2) The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profit or loss, and future measures to address them

A. Engaged in high-risk, high-leverage investments

For the most recent year and as of the date of the annual report, the Company has not engaged in high-risk, highly leveraged investments.

B. Lending of funds to others

The Company follows the Company's "Procedures for Lending Funds to others" and the Board of Directors' approval is required before the Company can lend funds to others. For the most recent year and as of the printing date of the annual report, the Company has not loaned any funds to others.

C. Endorsement Guarantee

The Company follows the "Procedures for Endorsements and Guarantees" and the Board of Directors' approval before the endorsement and guarantee are made. For the most recent year and as of the date of the annual report, the Company's endorsement/guarantee recipients are all subsidiaries.

D. Derivative Commodity Trading

The Company enters into derivative transactions in accordance with the Company's "Procedures for Handling Derivative Transactions", and the authorized amount is approved by the president or the board of directors before the transaction is made. The Company has not engaged in any derivative transactions in the latest year and up to the date of the annual report.

- (3) Future research and development plans and estimated investment in research and development

In response to environmental policies and the utilization of water resources, our company focuses on the development and design of water systems, continuously refining and adjusting our online products. We not only aim to meet the standards for water-saving certification, but also strive to achieve the highest level of water-saving certification. In terms of the health aspect of our products for consumers, in addition to continuously developing lead-free copper, stainless steel faucets, and chlorine-removing shower filters, we have also developed chlorine-removing showerheads to reduce the health hazards of toxic substances (such as lead and chlorine) to consumers, contributing to the safety of water usage for the people of our country. Furthermore, the development of related differentiated technologies is also a key focus of our company's investment, such as the integration and application of ozone technology, the research and development of microbubble shower technology, and the development of products related to electrical automation

and intelligent technology.

The factory continues to implement automated production processes, including:

- A. Continuously increasing the proportion of high-pressure injection molding production to reduce reliance on manual labor for labor-intensive processes. High-pressure injection molding can now produce large products such as toilets and kitchen sinks. The automated production process largely replaces traditional methods, significantly increasing production efficiency and yield. Additionally, the workload and intensity of work for on-site employees are reduced, allowing personnel to focus more on production details.
- B. The use of glazing robotic arms enables precise and uniform glazing of ceramics, significantly increasing glazing production efficiency and reducing the proportion of human errors. The percentage of products glazed using robotic arms has continuously increased from 45% in the 111th year to the current 65%.
- C. We have begun to introduce the use of ultra-fine glazes. Ultra-fine glaze is a ceramic surface treatment technology with high glossiness and low pollution properties. It has the following characteristics:
 - a. It effectively reduces the adhesion of pollutants such as limescale, oil stains, and dust, reducing the frequency of cleaning.
 - b. It has excellent optical properties, capable of reflecting more visible and ultraviolet light, enhancing the aesthetics and smoothness of ceramic products.

At present, the proportion of products using ultra-fine glaze is 10% (including all single-piece toilets and some basins). In the future, the use of ultra-fine glaze will be gradually increased across more product models.

In the future, we have planned to introduce a fully automated process of high-pressure injection molding, drying, and oil inspection, which will require only a small number of personnel for body finishing, significantly reducing the number of personnel for handling and the resulting product damage from handling. The system mainly consists of the following components:

- a. Body Transport Device: Used to transport the bodies from the molding machine or storage area to the drying conveyor line.
- b. Drying Conveyor Line: Used to move the bodies inside the drying chamber along a preset path and speed.
- c. Drying Chamber: Provides a sealed space and climate conditions suitable for drying the bodies.

- d. Auxiliary Equipment such as Fans, Heaters, and Dehumidifiers:
Used to regulate the airflow, temperature, and humidity inside the drying chamber.
- e. Control System: Used to control the operation of the entire system and collect data.

Considering all the aspects mentioned above, the estimated research and development expenses for the year 2026 are approximately NT\$17,471 thousands.

- (4) The impact of significant domestic and international policy and legal changes on the Company's financial operations and measures to address them

The Company operates in compliance with the relevant domestic and foreign laws and regulations, and keeps an eye on important domestic and foreign policies and legal changes to assess their impact on the Company and provide management with the necessary information for relevant decisions. The Vietnamese government increases the basic wage every year, resulting in an increase in operating costs. The Company continues to carry out automation and machinery improvements to maintain gross profit and to negotiate with customers on the pass-through mechanism. There were no material adverse effects on the Company's financial operations due to significant domestic and foreign policy and legal changes in the most recent year and up to the date of printing of the annual report.

- (5) Impact of technological changes (including security risks) and industry changes on the Company's financial operations and measures to address them

The Company continues to actively collect and analyze market and technological developments related to our sanitary ware products in order to mitigate the impact of technological changes. At the same time, we are dedicated to developing new products to ensure stable revenue and profitability. In the recent fiscal year and up to the printing date of the annual report, technological changes and industry shifts have not had a significant impact on our financial operations.

Our company has established a comprehensive information security management system to ensure the security of information activities and services, thereby avoiding any impact or influence on our company.

- (6) Impact of corporate image change on corporate crisis management and response measures

Our company is committed to provide excellent products and services, "good quality but better, fast service but faster" is our constant goal. In recent years, we have continued to cultivate the Taiwan market with a steady pace, and we have returned our business results to all shareholders, employees and the public, fulfilling our corporate social responsibility. In the recent year and

as of the printing date of the annual report, no corporate crisis has occurred due to the change of corporate image.

(7) Expected benefits, possible risks and responses to the merger and acquisition

For the most recent year and as of the date of the annual report, the Company has no plans for mergers and acquisitions, and will carefully evaluate the benefits and risks of such plans, if any, in the future.

(8) Expected benefits, possible risks and measures for plant expansion

The Company has no plans to expand its plants in the latest year and as of the date of the annual report. If there are any such plans in the future, the benefits and risks will be carefully evaluated.

(9) Risks associated with the concentration of inbound and outbound shipments and measures to address them

The Company does not have any supplier accounting for more than 10% of total purchases, and each product has at least two sources of procurement, therefore there is no risk of procurement concentration.

The Company accounts for more than 10% of total purchases of Customer A is a distributor, accounting for about 18.61% of the net sales, mainly because the company is a distributor in the Greater Taipei area. Considering the population of the distributor's area, sales proportion of the amount of goods should be reasonable, and there is no doubt about excessive concentration.

We have the trademark right of "Caesar Bath" brand, so we can select the best targets for purchase or sales at any time to avoid the risk of concentrated purchase or sales.

(10) The impact, risk and response measures of a substantial shift or change in shareholding of directors, supervisors or substantial shareholders holding more than 10% of the shares of the Company

For the most recent year and as of the date of the annual report, there has been no significant transfer or change of ownership of the Company's directors, supervisors or substantial shareholders holding more than 10% of the shares.

(11) Impact of the change in management rights on the Company, risks and measures

For the most recent year and as of the date of the annual report, there has been no change in the Company's management rights.

(12) For litigation or non-litigation events, the Company and its directors, supervisors, general manager, persons in charge, substantial shareholders holding more than 10% of the shares, and affiliated companies should disclose the material litigation, non-litigation or administrative dispute that has been determined or is still in progress, and the outcome of which may have a significant impact on shareholders' equity or securities prices, the facts of the dispute, the amount of the subject matter, the commencement date of the

litigation, the principal parties involved and the Company shall disclose the facts of the dispute, the amount of the subject matter, the commencement date of the litigation, the principal parties involved and the status of the litigation as of the date of the annual report.

For the most recent year and as of the date of the annual report, the Company has not been involved in litigation or non-litigation matters.

(13) Other important risks and countermeasures

None.

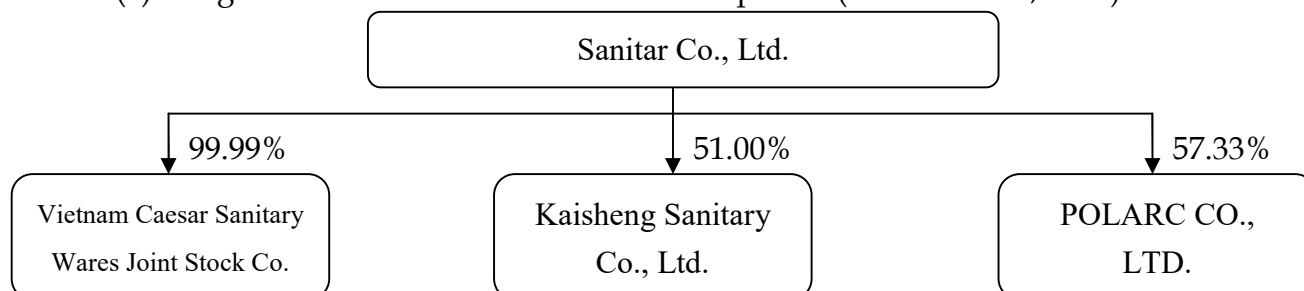
7. Other Important Matters

None.

VI. Special Disclosure

1. Information of the Associates

(1) Organizational Chart of Affiliated Companies (December 31, 2025)



Note: The above affiliates do not hold shares of the Company.

(2) Basic information of each affiliated company

Unit: NT\$ thousands

Name of the Company	Date of Establishment	Address	Paid-in Capital	Main Business or Production Items
Vietnam Caesar Sanitary Wares Joint Stock Co.	March 20, 1996	Inchai Industrial Zone, Inchai District, Dong Nai Province, Vietnam	663,230	Manufacture and sale of bathroom equipments and cooper water supplies.
Kaisheng Sanitary Co., Ltd.	December 2, 2020	No. 258, Chung Hsing 5th Street, Lu Chu District, Taoyuan City	36,000	Sales of bathroom equipments and copper water supplies.
POLARC CO., LTD.	April 28, 2023	Inchai Industrial Zone, Inchai District, Dong Nai Province, Vietnam	45,752	Manufacturing and selling paint products

(3) Information on the same shareholders who are presumed to be in a controlling or subordinate relationship

No such case.

(4) The industries covered by the business of the overall affiliated company

The main business items of the company:

- A. Ceramics and ceramic products manufacturing industry
- B. Ceramic glassware wholesale industry
- C. Kitchen, bathroom equipment installation engineering industry
- D. Waterware material wholesale industry
- E. Wholesale of furniture, bedding, kitchen appliances, and furnishings
- F. Retailing of furniture, bedding, kitchenware and furnishings
- G. Building Materials Retail
- H. Copper rolling, wire drawing and extrusion industry
- I. Building materials wholesale industry
- J. Basic chemical industry

- (5) The names of the directors, supervisors and general managers of each related company and their shareholdings or capital contributions to the company

December 31, 2025

Name of the Company	Job Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Vietnam Caesar Sanitary Wares Joint Stock Co.	Chairperson	Sanitar Co., Ltd. Representative: HSIAO,CHUN-HSIANG	41,877,700	99.99%
	Director and General Manager	Sanitar Co., Ltd. Representative: CHEN, WEI-CHIH	41,877,700	99.99%
	Director	Sanitar Co., Ltd. Representative: CHANG, YI-HSIN	41,877,700	99.99%
	Supervisor	LIN, LIN-ZHI	0	0.00%
Kaisheng Sanitary Co., Ltd.	Chairperson	Sanitar Co., Ltd. Representative: HSIAO, CHUN-HSIANG	1,836,000	51.00%
	Director	Sanitar Co., Ltd. Representative: CHEN, WEI-CHIH	1,836,000	51.00%
	Director	Henrong Investment Co. Representative: P.Y. Wang	720,000	20.00%
	Supervisor	CHANG, ZHANG-XI	720,000	20.00%
	General Manager	WU, WEN-HSIUNG	324,000	9.00%
POLARC CO., LTD.	Chairperson	Sanitar Co., Ltd. Representative: CHEN, WEI-CHIH	-	57.33%
	Director	Sanitar Co., Ltd. Representative: CHANG, YI-HSIN	-	57.33%
	Director	CHEN, YU-JEN	-	32.00%

(6) Operational Highlights of Associates

Unit: NT\$ thousands, but EPS was NT\$; December 31, 2025

Name of the Company	Capital Stock	Total Assets	Total liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss) (after tax)	Earnings per Share
Vietnam Caesar Sanitary Wares Joint Stock Co.	663,230	1,478,593	147,523	1,331,070	1,133,887	55,089	56,034	1172.15
Kaisheng Sanitary Co., Ltd.	36,000	87,984	22,074	65,910	194,114	9,436	7,386	2.05
POLARC CO., LTD.	45,752	35,896	6,305	29,591	23,450	(4,700)	(4,954)	(1847.83)

(7) Consolidated Financial Statements of Affiliated Companies

For the year ended December 31, 2025 (January 1, 2025 to December 31, 2025), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Financial Statements of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The information required to be disclosed in the consolidated financial statements has been disclosed in the preceding consolidated financial statements of the parent and subsidiary.

(8) Relationship Report

The Company is not a subordinate company under Article 369-2 of the Company Law, therefore, not applicable.

2. Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Year and as of the Date of Publication of this Annual Report:

No such case.

3. Other Necessary Supplement:

None

VII. Matters that Have Significant Effect on Shareholders' Equity or the Price of Securities

For the most recent year and as of the date of publication of this annual report, events that have a significant impact on shareholders' equity or the price of securities as defined in Article 36, Paragraph 3, Clause 2 of the Securities and Exchange Act have occurred:

No such case.

VIII. Appendix

Explanation of the Deletion of Article 19 and Access to Financial Reports

In accordance with the revised “Regulations Governing Information to be Published in Annual Reports of Public Companies” by the Financial Supervisory Commission (FSC), the original Article 19 will be deleted effective August 1, 2024.

To facilitate investor access to the Company’s financial information, please refer to the following instructions:

Steps for Accessing Financial Reports:

Visit the Market Observation Post System (MOPS) homepage → Select “Company” →

Enter “Sanitar” or stock code “1817”

→ Click on “e-Documents / e-Book Download” → Select “Financial Reports”